

RAILWAYS ACT, 1921.

PROCEEDINGS OF RAILWAY RATES
TRIBUNAL.

1. MINIMUM DISTANCES.
 2. MILEAGE GRADATIONS.
 3. FORM OF SCHEDULES OF STANDARD CHARGES.
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THURSDAY, MARCH 1ST, 1923.

THIRD DAY.



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PROCEEDINGS OF RAILWAY RATES TRIBUNAL.

THURSDAY, MARCH 1ST, 1923.

PRESENT:

W. B. CLODE, Esq., K.C. (*President*).
W. A. JEPSON, Esq.
GEO. C. LOCKET, Esq., J.P.

THIRD DAY.

Mr. BRUCE THOMAS and Mr. A. TYLOR appeared for the Railway Companies' Association.

Mr. EDWIN CLEMENTS (instructed by Messrs. Neish, Howell & Haldane) appeared for the Dairy Appliance Manufacturers' Association.

Mr. EDWIN CLEMENTS (instructed by Mr. R. Borough Hopkins of Leeds) appeared for the National Federation of Iron and Steel Manufacturers.

Mr. HENRY G. PURCHASE appeared for the National Association of Railway Travellers.

THE HON. R. STAFFORD CRIPPS appeared for the London County Council.

Mr. JACQUES ABADY appeared for the Mining Association of Great Britain.

Mr. DRAGE appeared for the Traders' Coordinating Committee.

Mr. COYSH appeared for the United Kingdom Commercial Travellers' Association.

Mr. RAMSDEN WALKER appeared for the Cyclists' Touring Club.

Mr. DEW appeared for the National Association of Cheap Transit.

Mr. HIX appeared for the Brighton and Hove Season Ticket Holders and Railway Passengers' Association.

President: Mr. Tylor, would it be convenient to you to answer a few questions which the Tribunal wish to address to you with reference to the precise interpretation of the proposals which you put in under Section 48?

Mr. Tylor: I will do my best, Sir.

President: It is rather to clear up any doubt that may exist in anybody's mind on the subject and we should like to have the benefit of your opinion as to what the proposals mean. The first paragraph is: "Where the conveyance is upon the railway of one company only a charge may be made as for six miles," and by the red proviso at the bottom: "Provided that the railways of such companies shall for the purpose of reckoning such short distance be considered as one railway where the conveyance is performed by one company throughout." Assuming the journey starts on the railway of one company, proceeds, we will say, for two miles on that railway company's system, then it goes on to the railway of another company for two miles, and goes on for a further mile—I am putting an extreme case—upon the railway of a third company, what charge will be made there?

Mr. Tylor: Nine miles. That is on the assumption that there has been a change of engine; that is the real test as regards more than one company.

Mr. Bruce Thomas: I understand if there is a haul of two miles over one system, two miles over another, and one mile over a third, if there is a change of engine or even two changes of engine, it will be as for nine miles; if there is no change of engine it will be as for six miles.

Mr. Jepson: To make it quite clear, when you speak about the change of engine, it does not mean by a change of engine two engines belonging to the same company?

Mr. Bruce Thomas: No, a change of engine of different companies.

Mr. Jepson: Different companies' engines.

Mr. Bruce Thomas: Yes.

Mr. Jepson: I only put that because there was a suggestion, I think, from the other side that railway companies had in the past so arranged their working as to get the benefit of these two six miles short distances when they might have arranged for a through working.

Mr. Bruce Thomas: That was the suggestion, I think, from Catwater.

Mr. Jepson: Yes. Therefore, one did not like to leave it simply "change of engine," when you say it means an exchange between two companies.

Mr. Bruce Thomas: Yes.

Mr. Jepson: Or more.

Mr. Bruce Thomas: Or more.

President: That comes in under the second statement: "Where the conveyance is upon the railways of two or more companies a charge may be made as for nine miles."

Mr. Bruce Thomas: Yes.

President: That, we understand, is instead of what might have been charged heretofore, assuming the short distance were six miles instead of 18 miles; is that right?

Mr. Bruce Thomas: That is right. Under the existing state of the law, if you had 2, 2, 1, in the case you put, and if there had been three exchanges between three companies, you could have charged for 18 miles—six miles on each—assuming it went from siding to siding in each case.

President: Then instead of the three short distances you charge at a short distance and a half practically.

Mr. Bruce Thomas: Yes, and that can, of course, never be exceeded, and the six is never exceeded when there is no exchange.

President: Is that your understanding of it, Mr. Abady?

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[Continued.]

Mr. Abady: Thank you very much.

President: Now, Mr. Abady, you were kind enough to interrupt the sequence of your argument last night in order to enable us to have the benefit of those references to the evidence. I have taken the opportunity, owing to your kindness in giving the references, of looking up and reading the evidence.

Mr. Abady: I was proposing to direct your attention to some further passages.

President: I am not saying that I have had enough; I am only saying that what you have given me up to date I have tried to follow out and understand, and it is owing to your kindness in giving me the references that I have been able to do so, and if you are put to any disadvantage in interrupting your argument—

Mr. Abady: None whatever.

President:—I hope that will be some small compensation.

Mr. Abady: I think before I proceed I would like to correct a submission that I made yesterday, which I think might be a little misleading. I rather challenged, of course, with respect, Mr. Jepson, when Mr. Pike was in the box, and a discussion arose as to what charges were properly applicable to the conveyance for this short distance, such as clerklage, shunting, and so on; I do not think I ought to have challenged that. I think the suggestion that Mr. Jepson made in interrupting Mr. Pike was perfectly correct, and I am sorry if without sufficient thought I have done something which might be misleading.

Mr. Jepson: Thank you. All I said was, the impression left on my mind was that the shunting, clerklage, account keeping, and so on, was a constant charge whether the traffic went 5 or 20 miles. Then you interrupted and said: "Well, it is a question whether a charge should be made for that." I rather gathered from the tenor of your remark that you meant a separate charge in the way of terminals.

Mr. Abady: That is so.

Mr. Jepson: Because, if it is included in conveyance, which was, I suppose, the argument you would have put, it does not take away the strength of the case, because it means that the cost of conveyance is so much heavier for a conveyance of five miles as compared with 20.

Mr. Abady: That is so, and Mr. Pike is entitled to the benefit of whatever that gives him.

Mr. Jepson: I am very glad to be at one now.

Mr. Abady: I did not want to mislead the Tribunal for a moment. Now, may I refer you again to the proceedings of the 19th October; I do not think I read this passage on 134. It is Question 7571. Mr. Jepson asked Mr. Marriott this: "Are you going to put any figures before the Committee showing how you justify 10 miles as against the 3, 4½ and 6 to-day, or is it just hazard?"—(A.) No, it is not hazard except that one knows generally that costs have gone up three or four times, and the general justification for a short distance addition is, as I say, notorious. It is amply recognised, and it is laboursing the matter to go over it again, I think.

(Q.) That is general. Why 10 and not 12, or why 10 and not 8?—(A.) We thought 10 was fair." Then Mr. Acworth asked: "Can you tell us what it is estimated to produce in additional revenue?"—(A.) No, I am sorry I cannot give that. (Q.) You cannot say whether it would help you to balance that £1,000,000 that you would lose by continuous mileage?" If I may interrupt for a moment, it had transpired during the course of the evidence that the railway companies estimated that by giving continuous mileage as between one railway and another so as not to allow the recurrence of the dearer end of the table over and over again, they would lose £1,000,000 in revenue.

President: That was Sir Ratcliffe Ellis' evidence.

Mr. Abady: I think that was the railway evidence generally, and that was met by the traders saying: So be it; if that is so, and it means an increase in the mileage rate, it has got to be met. The answer

to that question was: "I will try and find out; I am sorry I could not give it just now. I dare say I could make some calculations in a very short time." Then I think I can go to the 29th October at page 190. Mr. Clements was there cross-examining Mr. Marriott, and they were discussing what the charge would be, and we are talking in reference to the Lancashire coal case where there were three short distances which the decision of the Court of Appeal said should be the subject of three charges, and on the basis of the 10 miles, Mr. Clements put this at Question 8325:

"What I am putting to you is that you would calculate the 30 miles at the higher rate per ton per mile.—(A.) At the appropriate rate per ton per mile. (Q.) As against 6 miles at present?—(A.) As against three sixes. (Q.) Quite right. In that Lancashire case I have just referred to there were two cases where the majority of the Court of Appeal held that two short distance charges would be leviable?—(A.) I only know the Richard Evans' case. (Q.) That is so. Take it from me. In that case it would be 20 miles?—(A.) I take it from you. (Q.) I gathered from you that the sole reason for the proposal is increase in cost?—(A.) Yes, I went into that rather fully, I think." That is the point that we challenged.

Mr. Bruce Thomas: That is a good instance, if I may just draw attention to it for a moment, of where under our proposals there will be a reduction of 50 per cent.

President: Yes; we gathered from your answer that that would be so.

Mr. Abady: It will transpire later on that that is only a theoretical reduction; that, in fact, Mr. Marriott admitted that it would not be practical policies to make the legal charge, and the companies do not, in fact, attempt to do anything of the kind. That is rather a strong suit, if I may say so. Then the next question is 8330: "I do not think you gave any figures in support of that contention?—(A.) I gave a lot of general facts, I think. (Q.) When I say figures—have you anything to put before the Committee showing it is right that the short distance minimum charge should be increased from 6 miles to 10?—(A.) I have nothing specific on that, but I went into it rather fully when I quoted the increase in general railway costs. (Q.) I do not think it is quite a general matter, is it?—(A.) I argued from the general to the particular, and I said if that is true in general, how much more so will it be in particular. (Q.) Have you prepared any estimate of the additional revenue that would be obtained?—(A.) I have been trying in the interval, but have had many more things to do. The figures are not complete yet, but I have a certain number of figures here. (Q.) Then some such calculation as that will be submitted to the Committee?—(A.) If it is desired, certainly. (Q.) I certainly think it would assist the Committee, and enable the traders to understand your proposal better, if you were to show what its meaning really was?—(A.) Yes, the companies are getting it out. But as far as I can see, it ought to be about half-a-million. (Q.) That, if I may say so, is a general statement. But what I am suggesting to you is that some estimate, at least, or some calculation, should be produced which the traders could have the opportunity of considering?—(A.) That seems about right. Some companies have not finished their figures yet. (Mr. Jepson): I think we shall want figures before we are convinced that a rise from 3, 4½ and 6 miles to 10 miles is reasonable."

Then the Chairman said: "I do not see why one particular class of traffic should have thrown upon it a bigger proportion of the increase of costs than another. There must be some traders to whom this would be of vital importance. A man who lives near a port—less than 10 miles from the port—might find that, in addition to paying his full percentage on the other increase of rates, this short distance traffic puts an additional burden on him. These people we have heard of who send goods from colliery to works, and so forth, might find that this clause doubled what they had to pay; and I think I should want some strong reason for thinking that because there has been a

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[Continued.]

general increase in costs all the way round one section of the traders should pay a bigger proportion than another section," and again the Chairman said: "You may take it that the Committee will not advise things unless they are convinced by evidence that they ought to. It is for the railway companies to say whether they wish to adduce further evidence. At any rate, two members of the Committee are not convinced."

President: That was on the increase to 10 miles, and to hold the Cheshire judgment at the same time?

Mr. Abady: Yes.

President: Well, that is not the proposition here, I think.

Mr. Abady: No, but the principle is the same.

President: Very well; as long as we do not lose sight of the fact.

Mr. Abady: No, I am putting that quite plainly. The proposition that I put was that there was no evidence before the Committee to justify them in saying 9, or any other number.

Mr. Jepson: Of course, you are not losing sight of the fact that we were then discussing a 10 miles short distance which did appear to the Rates Advisory Committee to be such a substantial advance from the 3, 4½ and 6 that they wanted to be quite satisfied that it could be justified.

Mr. Abady: Yes.

Mr. Jepson: Now we are dealing with the 6 miles, and we are also dealing with the 6 miles coupled, not with 6 miles on each company's line when the company's traffic is exchanged, but a maximum of 9 miles when it is exchanged between two or three companies.

Mr. Abady: Yes.

Mr. Jepson: I do not want needlessly to criticise what you are doing, but to my mind it seems rather that we are wasting a lot of time in going through this evidence based on such a different proposition from the one that we find before us now. I do not want to interfere with you.

Mr. Abady: No; that is quite right, Sir. I must do my duty according to what I think is the best way to do it. I submit that the principle is exactly the same. The Committee is asked to make an alteration from the existing practice. If that alteration means that the short distance trader will, in addition to having to pay any increase in the rate per mile also have to pay an increase because the minimum mileage has been increased, then the principle is exactly the same, because this particular class of trader will be called upon to pay more than once in the words of Sir Francis Gore-Browne: "I think I should want some strong reason for thinking that because there has been a general increase in costs all the way round one section of the traders should pay a bigger proportion than another section." I submit that the principle is exactly the same. I am going to try and show the proposals of the railway companies to increase from 3, 4½ and 6 to 6, leaving on one side the question of the extra charge if there is an exchange, is a proposal that involves an extra burden.

Mr. Jepson: May we clear that out of the way? Do you accept, on behalf of the Mining Association and the Traders' Co-ordinating Committee, the railway companies' proposal as regards nine miles where there are one or two exchanges, because that would clear the air, and we could get down to what is to be the proper short distance charge?

Mr. Abady: I might get that out of the way. The position is this: you have had the evidence of Mr. Pike that the number of tons out of 500,000 that that applied to was 6,500. I was about to read a passage from Mr. Marriott's evidence which showed that the railway companies in such cases did not enforce the right of charging a double charge, or making a difference if there was an exchange of engines. I freely admit that the railway companies have met the traders in a proper commercial sense; so that, supposing you said 9 miles, or 19 miles, or 90 miles now, so far as the bulk of the charges which are made to-day where there is an exchange of engines are

concerned they would continue to be exceptional rates, and it would be open to the trader to justify them, and to the railway companies to agree with the traders under Section 36 of the Act, so that there is not a great deal of practical importance so far as we can see from the point of view of pounds, shillings and pence.

Mr. Locket: Is it worth while discussing an academic question?

Mr. Abady: Yes, I think it is, for this reason: that the traders from first to last—and I have tried to make it clear, and I think I have made it clear—have urged that there shall be continuous mileage; that all the railways shall be considered as one really. I put it to the Committee, and I will not say another word about it: Is it worth while to break through that principle, because in effect this is making a differentiation only on the ground that it is a passage from one railway to another with another engine? Is it worth while to break through that principle for the sake of what is a twopenny-halfpenny thing from the point of view of revenue?

Mr. Locket: Are you prepared to put anybody in the box to say that they would be seriously prejudiced by the increase of 50 per cent. I am not dealing with 6 or 9, but the increase of 50 per cent. where it passes from one company to another, and there is a change of engine.

Mr. Abady: I do not think so. I have tried to make that clear.

Mr. Locket: Very well, then; if nobody is going to be prejudiced, why need we waste time in discussing it?

Mr. Abady: I did not think it was waste of time, Sir, because, after all, you can reduce things to a principle, and the principle underlying the Railways Act that the traders have fought for is the principle of continuous mileage, and this breaks into that principle. It is a question of *de minimis*, but it breaks into the principle, and I am urging the Committee that they should not do so. I am reminding them that there may be cases where people are left so that the operation of this will affect them owing to their being near the border of one grouped company and another. I do not know how that will arise, but I really should not be justified in saying that from the pounds, shillings and pence point of view there is anything substantial in it.

President: You have called it yourself a twopenny-halfpenny question.

Mr. Abady: I think so from the point of view of pounds, shillings and pence.

President: That is what I mean.

Mr. Abady: I should be very sorry to think that I should put forward an argument purely on financial grounds, or that the Committee would only look at the matter upon financial grounds. There is a question of principle involved. I submit. I have made it clear that we want to keep the principle of continuous mileage sacrosanct, and I will not say another word about that. I understand that it is an important matter to Manchester, and they are going to deal with it themselves. If that is so, if we come to an understanding with respect to what I am going to do about the nine miles, may I take it that it will not be necessary for me to impress the Committee with the fact that where there is an exchange, as in this Richard Evans' case, the railway companies certainly do not charge anything like the powers that they are legally entitled to?

Mr. Jepson: I think that is generally admitted.

Mr. Abady: I think that is generally admitted, yes.

Then, Sir, as ancillary to what I have just said, I take it that those who are applying at a later date for exceptional rates for these domestic rates, either where there is one short distance charge which can be legally made, or more than one short-distance charge, will not be prejudiced in any way by the decision which the Committee comes to this morning with respect to what I may call the standard. If I can understand that I am not giving the position away in any way—

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[Continued.]

Mr. Jepson: How do you suggest they could be prejudiced if at present they are living under exceptional rates which do not come up to these short distance charges?

Mr. Abady: I think there was a suggestion in the late Chairman's mind that that might be so, but I do not want to pursue it. They are exceptional rates, and undoubtedly they are more than 40 per cent. below what the standard will be; I just want to safeguard that, at any rate.

Mr. Jepson: The mere fact that they are below 40 per cent. of the standard does not rule them out altogether, because they can come and ask for them to be preserved.

Mr. Abady: That is so. I do not think I need read very much more, you will be relieved to know, but there is just one rather important matter that you ought to have before you. I am now turning to the 1st December, 1920, at page 615, and the question is 13,657. Mr. Wedgwood was recalled for examination-in-chief by Sir Lynden Macassey, and the first question was this: "On the thirtieth day, on page 401, the Chairman said, 'Will you at the earliest possible moment give us a definite proposal as to what is to be done with regard to these four matters: Terminals, flat rate addition, and short rate mileage, and let us know how the railway companies propose to work those in, and also the fourth point, what they propose should be the tapering scale. We are not asking them to give us exact figures, but we want to know what is to be the mileage to which it is to be applied?'—(A.) Yes.

(Q.) The railway companies have looked into the four matters mentioned by the Chairman, and you are in a position to put their views before the Court?—(A.) Yes." He expanded the "Yes," but I need not read the expansion. Then at Question 13,660 Mr. Jepson asked: "Before you go into detail, I should like to ask you this as a general principle. If your suggestion is adopted that the question of what is to be the measure of the tapering scale, and the measure of the minimum distance to be charged is left to the future, might not it be possible, and, indeed, very probable, that every individual railway company, or groups of railway companies, might be putting different proposals forward as regards short distance charges, and as regards the tapering?—(A.) I do not think so. We have put it that each company shall put in its own schedules, and we wish it left to the discretion of the different companies as to what schedules they put in, those being aimed at giving them their adequate revenue. But, I think, we sufficiently appreciate the importance of uniformity not to put in to any great extent, at any rate, differing proposals as regards minimum distance or taper. (Q.) Do not you think it would be advisable in preparing these schedules that the companies should have it laid down that the taper should be the first ten miles, and the next ten, and the next thirty, and the next fifty, or something like that, and a certain figure for a short distance charge, because then they would have something definite to work to?—(A.) No, I do not think that is desirable. I would like to give my reasons. We shall have to approach the question of fixing the scales and tariffs from the basis of the existing rates. What we wish is to deal with those rates, subject always to our getting adequate revenue from the new scales and tariffs, on the principle of making as little departure from them as possible in the new scales and tariffs we put in." That is a longer answer, but I do not want to quote anything further, but if I may suggest, with respect, to the Tribunal, I think if they would read just a page or two of Mr. Wedgwood's evidence they would find that it would not be time lost. That deals with that question of the non-existence of the proper estimates to enable you to form a conclusion, but there is one other thing I want to read at Question 13,721, where the Chairman asks: "Neither you nor any other witness has given us any figures to make us think that the rail-

way companies are justified in these increases for short distances?—(A.) That is so. We quite realise, before we can expect you to give us any further increase on short distance traffic, we must submit figures to you. We want those figures to be satisfactory and complete, and such figures at the present time are not available," and they are not available now.

Now the next thing I want to come to is to direct your attention—and perhaps I need not read it—to what was the Report of the Rates Advisory Committee on the whole question of the minimum charge for short distance and continuous mileage or the mileage scale, because in effect the two things hang together. It would be convenient if you would not mind my reading it.

President: Not a bit.

Mr. Abady: But at the same time I feel I am taking up a great deal of time.

President: I think my colleagues are saturated with the Report; as far as I know they know it very thoroughly, but do not let that stop you. It is just as well to refresh their memories on the leading points.

Mr. Abady: Then I think I ought to do so. At page 35, in the second paragraph, you read: "The railway companies asked that the minimum distance should in each case be fixed at ten miles. They urged that apart from the services covered by terminal charges a considerable portion of the cost of transport is incurred at the start and finish of the transit, and that this exceeds the actual cost of haulage over even a fairly substantial distance. If the transit is of a train load (say) from colliery to works, or from works to docks or wharves, the getting up of steam in the engine and the sending of the engine to the starting point and return from the delivery point, are the same for a long haul or a short haul. In the case of picking up and dropping a single waggon or several waggons by a goods train there is coupling and uncoupling, and an amount of shunting at either end of the haul which does not vary with the length of the transit. But even more important are the facts that the engine hours expended and the length of time the waggons are in use are much greater proportionately on a short haul than on a long haul: the waggons being at the disposal of the trader for four or five days, however short the journey. The companies further urged that the greater part of the recent increase in expenses is due to the rise in wages which make all services involving labour disproportionately costly; and that they derive no profit from their terminal charges which can be set off against these costs." Then the Report goes on to deal with the case of Richard Evans, and it says: "Upon the question of the proper distance to be fixed as that for which the minimum charge should be made it is necessary to take into account the method of making the other charges which are to constitute the rate. The railway companies ask that in addition to a distance rate varying with the mileage"—this is rather important—"there should be a flat addition such as has been imposed on the occasion of the interim revisions of rates which were made on the 15th January and 1st September, 1920." I ask you to bear that in mind, Sir, when I come to deal with the next question, namely, the taper of the mileage table.

Mr. Bruce Thomas: That suggestion, of course, is not put forward now.

Mr. Abady: I am going to say that it is very near to the hearts of the companies. Mr. Wedgwood put forward proposals to show how the flat rate may be absorbed at the lower end of the scale without the trader knowing it was there, and I am going to say that the reason why they want to split up the first 20 miles into two 10 miles is to try and push some of the flat rate into it. Then resuming: "The arguments in favour of this flat rate addition are very similar to those adduced in favour of an increased minimum distance charge, although it is

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[Continued.]

contemplated that the flat rate addition should be made whatever the length of the transit. In the same way if substantial additions are made to the terminal charges for station accommodation and services, and the charges to private siding owners for services rendered at their request or for their convenience, there is less ground for increasing the distance for which a minimum charge is to be made."

My submission upon that is, that it is perfectly clear that the intention of the Act is, or that the Act gives the railway companies power, and we understand that it is their contention that the whole of the terminal charges should be overhauled, and the whole of the services rendered to traders at sidings at their request or for their convenience should also be overhauled. In fact, the railway companies' proposal put forward by Mr. Marriott was that it should, *prima facie*, be taken that the services at a siding were equivalent to the services at a station, and therefore the *prima facie* charge should be both the service terminal and the terminal charge.

Mr. Bruce Thomas: That is not the Act.

Mr. Abady: Well, that may not be the Act, but there is section 61, which gives power to the Tribunal to overhaul all these charges, and no doubt they will be overhauled.

Mr. Bruce Thomas: 61 is a transitory provision.

Mr. Abady: No.

Mr. Bruce Thomas: 61 is a transitory provision.

Mr. Abady: It is transitory until they are overhauled; that is exactly my point.

Mr. Jepson: You will remember, because you were before us in the Rates Advisory Committee, that Mr. Marriott said it was a very great convenience until some arrangement had been made that the private siding owner should be charged the station rate, and where such arrangement had been made so as to save undue clerks and so on, there had been a rebate, and that was common practice throughout the country. It seems now to be the most convenient way of dealing with it rather than having hundreds of thousands of separate rates for private sidings.

Mr. Abady: Am I putting it too high within your recollection of the proceedings, when I suggest that it would appear to be 'in the railway companies' minds to have a general overhaul of the sidings charges. They did suggest during the course of the proceedings, did they not, that they were not being adequately remunerated.

Mr. Jepson: I think that as the charges for station terminals and service terminals have to be overhauled and brought up-to-date, having regard to the increased expense that that involved on the railway company, also the private siding rebates have to be overhauled in the same way. It may be that if a trader is performing loading and unloading services, which are charged for by the railway company in the rate, his cost of those services has very much gone up, and he himself will want to overhaul the private siding rebates. I think they have all to come into a melting pot, and they will probably be agreed as between the private siding owner and the railway company; if not, this Tribunal has power to settle them.

Mr. Abady: Quite so; that is what I was saying, and I was only directing attention to this paragraph, which says, that if the siding charges are increased it is one less reason why the minimum distance should be increased, because the paucity of the amount that the railway companies get in total, including siding charges, was one of the reasons why they said "We want the longer minimum distance," and the Committee say here: "Very well, if you are going to overhaul the sidings charges do not increase the minimum distance."

Mr. Jepson: I am not sure that the two things are in just the same hand; I do not think they are. I would like to tell you what is in my mind with regard to this. One can quite understand with regard to a signal box at a private siding it cannot be held that that signal box is part of conveyance; it is a service at or in connection with the private siding, which is

paid for separately. The wages of the signalman have gone up, and his hours have been reduced, and necessarily the charge for that signal box, if it is made at all, would be an increased charge. That is quite apart from all these services of engine shunting, shunting, coupling and uncoupling, all of which are increased, and which form part of conveyance, so I do not think when you are dealing with the service at or in connection with a private siding, which may be properly a separate charge by a railway company, that that has anything to do with these extra costs of engine shunting and coupling, and so on, which is in conveyance. I draw a very great distinction between the two.

Mr. Abady: So do I, Sir. Of course, your point, if I may say so, is perfectly correct, and you know as well as I do that it depends what the particular arrangements are in each particular case. Probably you have had to make a specific and express agreement with respect to the payment of a definite amount for these services, and it may be in another case that the services given by the railway company include the signalling.

Mr. Jepson: One expects that all these amounts will necessarily have to be overhauled to see if they are fair between the parties, having regard to present conditions.

Mr. Abady: I hope the Court will not have the impression that I am trying to over-emphasise or overload any particular factor. I am only just drawing attention to the paragraph in the Report in which the Rates Advisory Committee themselves stated that if the sidings charges were being overhauled, that cut away really the strength of part of the railway companies' argument.

President: Is that so?

Mr. Bruce Thomas: I think not. May I draw attention to this: the Act of Parliament has laid it down that the short distance charge shall not vary whether there is or is not a station terminal payable, and that is for the very reason that these services which may have gone up in cost, but which are not incidental to conveyance, have nothing to do with it. The services at either end which have something to do with it are those services which are incidental to conveyance, and that is the reason why Parliament has adopted the recommendation of the Committee and cut all question of terminals out.

President: As I understand it, when these short distances were being fixed originally the Committee, or the body who fixed them, were rather under the impression that the terminals afforded some compensation?

Mr. Bruce Thomas: Quite.

President: That was, I thought, admitted and proved to be a mistake, and therefore the Act says that they are to have nothing to do with it; that is as I understand it.

Mr. Bruce Thomas: Services at or in connection with private sidings have no more to do with conveyance than the station terminal has.

Mr. Abady: I am not saying they have, but it is clear that the railway companies have been allowed to charge 6 miles where there is no terminal charge at the present time, and only 3 miles where there is.

Mr. Jepson: You would not care to argue, I suppose, to show that it was logical in the present practice that it should be 3 miles where there are stations and 6 miles where there are sidings?

Mr. Abady: Not at all. I am going to say, when I summarise the case, which I hope I may shortly and briefly, that the case is logical, and not only that, but it is expedient. I want to put it on the ground of expediency as well as logic. Just to complete the references, on page 36 on the question of non-availability of costs, you see: "The railway companies will meantime have got out figures as to the respective costs of long and short hauls;" I am submitting that they have not got those out yet.

Now, the position is this: Section 11 relates to standard conditions as the minimum charge. There are a great number of sections of Acts which give a different minimum. The object of fixing a new

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standard, or rather the objective to be aimed at in fixing new standards, will, I think, be admitted to be so as to sweep away as many as possible exceptions which exist at the present day and fit them into some part of the scale so that they become standard charges and not exceptional rates. That was one of the reasons why the 8 pre-existing, or the present existing scales, were expanded into 21, and I suggest that a similar motive should actuate you when you come to a decision as to what is the right minimum distance to fix with reference to short distance traffic. As to expediency from any point of view, that is to say, from the point of view of doing away with a lot of exceptional minimum distance rates and making them standard minimum distance charges, although I said I was not going to call evidence yesterday, I am prepared to, and I think I ought to call evidence to help you in this. I am going to suggest that a very large number of the cases which Mr. Pike said were 80 per cent. of the short distance hauls which are under 6 miles are, in fact, charged at 4 miles. As an example, if I may take the North Eastern coal shipping rates to Blyth and Tyne that will be found in the analysis of Rates and Charges Order at page 105. There is a scale applicable in respect of coal for shipment conveyed on any part of the North Eastern Railway other than the Blyth and Tyne section. You will see there is a minimum distance of 6 miles. That is Scale 2; now, if you turn to Scale 3 you will see that is applicable to coal for shipment conveyed on the Blyth and Tyne section; the other is not conveyed on the Blyth and Tyne section, and there there is a minimum distance of 4 miles. What happens there is that the North Eastern Railway Company, whether the traffic is sent under Scale 2 or Scale 3, in fact charge a minimum distance of 4 miles.

Mr. Jepson: Do you say as a fact that there are a lot of collieries within 4 miles of the port?

Mr. Abady: So I am informed.

Mr. Ridley Warham: Yes, there are 61 instances.

Mr. Abady: Mr. Ridley Warham is here, and he will give you any information you desire. That is an example, and I am going to refer you to the different Rates and Charges Orders, so that you may have them before you, where 4 miles is the minimum. Under those circumstances, I am going to say that it would be expedient from the point of view of doing away with exceptional rates if you fixed an ordinary minimum at 4 miles. From the point of view of cost, what have you got? We have only Mr. Pike's evidence as to wagon miles. He made a comparison of wagon miles, and he said that the wagon miles per engine hour for the United Kingdom were 260 to 270. For 21 short sections of which we were to have particulars to-day, which I have not seen yet—

Mr. Pike: The particulars are ready; I am quite willing to hand them in at once.

Mr. Abady: I cannot deal with them now; it is obvious.

President: I think you are entitled to have them. (Documents handed.)

Mr. Abady: Thank you. Then there are 13 longer sections on which there is no short distance, or sidings, and the figure there is 530.

President: Let Mr. Abady's advisers look at them at the same time.

Mr. Abady: These statistics that Mr. Pike has given you are wagon miles only; you do not know anything about the tonnage; you do not know anything about the actual earning of the engine, and the men employed on the traffic in a period of time. I do not want to say anything that is flippant, but the impression that Mr. Pike's evidence left on my mind was this, and I do not think it made any impression on you, that the railway companies, providing at an enormous expense, as they say, an engine that costs 20s. an hour, might be called upon, and I think the inference was that they were called upon to draw a couple of trucks containing two or

three tons of material, and they got 4½d. for it. That is not the condition under which the short distance traffic is worked. We must be able to get at the facts, and I am suggesting to you that the conditions under which this traffic is worked is that it is worked in bulk in large quantities, and if you take into consideration the tonnage actually carried between two points, even segregating that which is dropped at a short distance from its origin from that which goes on—because, of course, the traffic is intermixed and it has got to be sorted, and all the rest of it—the amount of tonnage, and the actual working and earning of the engine, and the staff employed, is very large indeed. It is perfectly true to say that anybody could take a theoretical advantage of this thing that is written down on a piece of paper; they could get an engine and the whole staff necessary to drag a ton, or a couple of tons of material for one mile, and they would be charged six. From that point of view it is not going to pay the railway company whether you make the minimum distance 6 or 16.

President: I think Mr. Pike said it did include those cases where there was a haul of more traffic which put out the short distance traffic on its way.

Mr. Abady: Quite so.

President: And he had taken that factor into account.

Mr. Abady: That is so.

Mr. Jepson: That is for the longer distance.

Mr. Abady: Yes.

Mr. Jepson: And I think Mr. Pike then said that no doubt these longer distances did include a very small element of short distance traffic which was not worth consideration in the same way that the sections that he dealt with as showing the cost of dealing with short distance traffic in some cases would include wagons of long distance traffic which again were considered immaterial.

Mr. Abady: Of course, the whole thing comes back from the point of view of the earning and the cost of the railway company to the question—What is the tonnage carried? You will surely agree that that is relevant.

Mr. Jepson: What is the effect of the comments you make this morning? Do you ask the railway companies to supply in any amount of detail figures in support of these figures put in by Mr. Pike yesterday, because Mr. Pike did refer yesterday to 21 short sections on each company's lines of 5 to 12 miles? It is not to be supposed that the statistics Mr. Pike gave yesterday are made up of an engine running about with one or two odd wagons such as you suggest.

Mr. Abady: No, I am not saying that.

Mr. Jepson: That ought to be cleared from your mind if that is your contention. I am not saying that you did not ask for particulars yesterday, but you have not asked for particulars this morning, and I do not know whether you want them.

Mr. Abady: I thought the traders had been asking for particulars of costs, and I thought the Tribunal and the Rates Advisory Committee had been asking for particulars of costs since 1920.

Mr. Jepson: The impression left on my mind by your absence of request yesterday for details was that the margin between 109 wagon miles per engine hour for the short distance and 530 wagon miles per engine hour for the longer distance was so great that that would not help you.

Mr. Abady: The reason I did not ask was because it seemed to me to be futile at the eleventh hour to have figures the basis and origin of which one did not know. Whatever questions I asked and how much brains I had personally, I could not possibly do justice to a case in that way, and I prefer to rest on a grievance rather than to deal with the matter when it cannot be dealt with effectively. Let me give an example of what I mean.

Mr. Jepson: Do not think I am unduly criticising, but we do look upon this Court as a business Tribunal, and we are trying to get at practical business propositions.

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Mr. Abady: Yes. There are 21 short sections taken at 5 to 12 miles and the results are 108 wagon miles; it may be possible to get 21 short sections taken at 5 to 12 miles when the result would have been 209 miles. Is it not a reasonable comment to say that the experts of the traders have had no opportunity of examining the representative nature of the sections that were taken? Further, it may be that with regard to the 13 long sections which yielded 530 wagon miles, it might be possible to find 13 sections which yielded 630 wagon miles. I am directing attention to where Mr. Pike said an engine used to cost 5s. and now costs 20s. That is true of an engine on a long haul and on a short haul. What I am suggesting is if it is looked at broadly and fairly the short distance goes in large quantities, in a wholesale way; the total tonnage earnings of the engine and the staff are not properly reflected when you only get wagon mile statistics on a partial basis like this, and there is no proof that there has been a greater increase of cost or of burden in the railway in continuing the short distance charge without an increase.

Mr. Bruce Thomas: I do not think you put it to Mr. Pike that it all went in large quantities. We do not agree at all.

Mr. Abady: Then I will call evidence and you can cross-examine upon it.

Mr. Jepson: How can you call evidence bearing on the statements made by Mr. Pike? We can understand you might call someone from the North Eastern district to say that within 4 miles of a port on the Tyne there are collieries which are sending out train loads of coal for less than 4 miles, and charged as for 4 miles. But Mr. Pike's statement was that he had taken these particulars from 21 short sections on different lines. He may have included some of these on the North Eastern.

Mr. Abady: Would it be irregular to ask Mr. Pike whether he did include the North Eastern?

Mr. Jepson: You can deal with that in your own way. But I thought you might have handed in particulars.

Mr. Abady: I did ask for particulars and I have them now, and that particular matter would be included in the particulars. Following up the example I have given—I hope I am not taking this at too great a length, but it is important—I want to refer you to the sections of the other Acts where the 4 miles or less distance is the standard at the present time. At page 128 of the Rates and Charges Orders you will find there in the Great Northern Railway that on a great number of branches of the Nottinghamshire, Leicestershire, and Derbyshire lines, on the Stafford and Uttoxeter Railway, and a great many of the Yorkshire lines, and the Louth and Bardney Railway, it is provided that, in respect of the railway to which Scale 2 is applicable, the power of the Company to charge for a distance less than 6 miles shall have effect as if 4 miles were substituted for 6.

Mr. Bruce Thomas: The scale that is applicable is a high scale?

Mr. Abady: I do want to point that out.

Mr. Bruce Thomas: The scale on which the minimum distance is based is a very high scale.

Mr. Abady: That is right. It is 1.5d. per ton per mile for class A against the .95d.

Mr. Jepson: More than 50 per cent. over the normal scale?

Mr. Abady: Yes. Now on page 137—

Mr. Jepson: Mr. Pike told us the intention of the railway companies was to abolish those special charges on these Nottinghamshire lines and to adopt a scale to cover the whole section.

Mr. Abady: I think this is rather an exceptional case.

Mr. Jepson: We shall not see it probably until we have to settle what is to be the short distance mileage.

Mr. Abady: The traders would prefer that the matter should be dealt with when you deal with the amount rather than putting upon them something in the way of a minimum distance.

Mr. Jepson: Is that your proposition now, instead of what is to be the measure of the short distance as the form of the Schedule, it should be put off until we deal with the quantum of the rates?

Mr. Abady: May I reply to that in a moment?

Mr. Jepson: It arises out of what you said just now, that the traders would rather have it dealt with when the quantum is dealt with.

Mr. Abady: It is a little inconvenient not to be able to put the thing in one's own way. But may I put it in this way, and I can put it as a general contention. The traders know it is they who have to pay the charges; they know perfectly well that under Section 58 the railway companies will in total incur a certain total cost which has to be met by the revenue. The traders say that the tendency of the propositions—of which this is one—put forward by the railway companies is unduly to increase the amount which will be contributed to that revenue by traffic which goes for short distances as compared with traffic which goes for long distances. They say that it is not expedient in the interests of the people who send the traffic that that should be so; and they say it is not expedient in the interests of the railway companies that they should have any powers they could exercise in that direction; because their submission is that the general tendency of increasing the cost, or the charge, to the trader for short distances is to drive traffic from the rail on to the road where that traffic can be driven. They submit that that was the burden of the contention put forward by the railway companies last year when they were seeking to get powers to run motors. And they say that in proportion as the traffic which can leave the rail for short distances and leaves it because the short distances charges are too high, in proportion as that leaves the rail, the residual traffic—which will be the heavy traffic such as coal—remains on the railway and has to pay an increased charge as the revenue has to be found.

Mr. Jepson: Shortly, they fear that if this is put up the short distance traffic will have to pay more than its share of the increased rates?

Mr. Abady: Yes, that is it.

President: Mr. Jepson asked you a little while ago whether you would rather have it dealt with now or dealt with when we come to quantum.

Mr. Abady: The answer is that we do not think the charge can be adjusted according to the strict cost. First of all, we do not know the cost—

President: Which do you want?

Mr. Abady: We want the cost to be spread over in the general working and to be reflected in the quantum of the general scales exactly as we have agreed that any increased cost due to continuous mileage should be reflected.

Mr. Jepson: You will agree with this proposition—I think it supports the proposition that we ought to deal with this matter now—that it is very desirable for the railway companies, before they budget for their standard rates, that they should know whether the short carriage is to be 6 miles or 4½ miles or anything else that is proposed by the opponents. It is very desirable that they should know it?

Mr. Abady: I agree.

Mr. Jepson: Otherwise if it had to be dealt with when we deal with quantum, it might be that the railway companies would have to take their figures back and make fresh estimates.

Mr. Abady: That is so.

President: And we want to get on as fast as possible.

Mr. Abady: I am submitting that the traders are the people affected, and that an undue burden should not be placed upon the short distance traffic. That is the beginning and the end of it.

President: That is so.

Mr. Abady: If you thoroughly realise that, I do not think I can usefully carry the matter any further.

President: I do not think you can.

Mr. Abady: I think I have put the contention perfectly plainly. I am suggesting that to fix a 4 mile

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minimum will bring into the standard scale what are a great number of exceptions at the present time. I am suggesting that it is not expedient, even though it does cost the railway company more, than you should make a longer minimum distance charge than 4 miles; because to do so would be increasing the charge to be paid for that short distance traffic compared with what it does to-day; and the traffic cannot bear it; and it is not in the interests of the railway company or in the interests of the traders that that should be done. But it is to the interests of the railway company to keep their revenue from both short and long distance traffic. If I may I should like to quote what was stated by Mr. Marriott before the Select Committee on the Midland and North Western Group. They were dealing with the traffic which had been lost. Mr. Marriott was asked: "Before you took up this work I think you had reason to believe that some of your traffic was being abstracted by the haulier?" He answered, "Yes; and with the best paying class of traffic too." He was then asked, "Is that the short distance traffic?" and he replied, "It was both the short distance and the best classes?" That is just what I am saying; and the policy of the railway companies—I have tried to show it by reference to the evidence—has been to try and get back their costs; and I am trying to represent to you that the traffic cannot bear it. If it cannot bear it, the traffic which remains out—coal and raw material and so on—will be heavily hit. If it can leave it does leave, thereby depriving the companies of revenue, and it works in a vicious circle all round. Of course that was admitted in those proceedings.

Mr. Bruce Thomas: I do not think Mr. Marriott when he mentioned short distances was referring to 4 and 6 miles.

Mr. Abady: I think I have put my contention. I do not know whether you want me to draw your attention to anything further on the special Acts?

Mr. Jepson: Yesterday, I think it was in response to one of your questions, Mr. Pike answered something to the effect that this short distance charge was mainly applicable to coal and the heavy mineral traffic?

Mr. Abady: Yes.

Mr. Jepson: You do not suggest for a moment, do you, that Mr. Marriott's answers with regard to coal and mineral traffic being diverted from the railways to the roads?

Mr. Abady: No, I do not.

Mr. Jepson: Then what is the object of introducing Mr. Marriott's evidence?

Mr. Abady: Because it reacts on the traffic that has to remain; and that traffic necessarily must pay more because the revenue has to be found. Mr. Marriott said so.

Mr. Jepson: We know that.

Mr. Locket: I do not think he went so far as to say that the traffic was being abstracted from the roads in consequence of the operation of minimum distance scales.

Mr. Abady: No.

Mr. Locket: It was what was known as ordinary short distance traffic as distinct from that which is carried under the minimum distance scale.

Mr. Abady: No distinction was made.

Mr. Locket: You have not drawn attention to any words of his, or to any question, which seemed to imply it was in consequence of the minimum scale operating adversely that the traffic went to the roads.

Mr. Abady: He did not say; but the minimum distance includes the short distance traffic—

Mr. Locket: The converse is true, is it not?

Mr. Abady: Yes; the tendency of the railway companies all along has been to put extra costs on the short distance traffic including the minimum distance. That is the contention. I am sorry if I have taken up a long time; I do not know whether you would like me to direct your attention to the other Rates and Charges Orders where there is a 4-mile or less distance?

President: My friends Mr. Jepson and Mr. Locket are very familiar with those cases. I think you can take it for granted. You have pointed out the exceptions on the North Eastern, and no doubt exceptions would exist on the other lines.

Mr. Jepson: Do you think the cases of the 4 miles minimum are different from the cases which exist in South Wales, where, for special consideration given, they got 4 miles, and hereafter, at some early date, they can apply under Section 34 to have them preserved?

Mr. Abady: I think someone from South Wales will speak to that. I believe that 4 miles includes a good many of those.

Mr. Jepson: So that whatever preservation there is in Section 34 for the South Wales lines, it equally applies to the North Eastern cases you mentioned just now?

Mr. Abady: If consideration could be shown.

Mr. Jepson: Yes.

Mr. Abady: But, of course, if the Tribunal does as I am asking, fix the minimum at 4 miles, no application under Section 34 will be necessary, probably because the charges will be standard. That is an additional reason in the direction of expediency why the suggestion I make to you, with respect, should be adopted.

President: Is your witness coming?

Mr. Abady: I rather gathered from Mr. Jepson that he, at any rate, did not think—

Mr. Jepson: What can your witness prove? He could prove they are getting the benefit of a 4 mile minimum now on certain sections of the North Eastern; but you say their position is preserved under Section 34 if they can show good cause, even if we fix 6 miles?

Mr. Abady: Yes, if they can show that.

Mr. Jepson: What more can you prove by putting a witness in the box?

Mr. Abady: We can give the impression that a very large tonnage is handled.

Mr. Jepson: We can take that for granted?

Mr. Abady: That is all I can prove.

President: You still cannot prove that anyone is substantially injured or prejudiced by the proposals put forward—in pounds, shillings and pence—by the railway companies. You yourself said so?

Mr. Abady: That is the 9 miles.

President: I am only trying to separate the two cases—the financial aspect and the aspect of principle. On the question of pounds, shillings, and pence there is nothing in it?

Mr. Abady: Not as regards the extra distance when there is an exchange; and as regards the other I have put the argument as strongly as I can, whether you should fix a 6 or a 4.

President: I only wanted to be clear.

Mr. Abady: I think you have correctly stated the effect of the evidence, Sir. But I hope I have not given the impression that an increase of from 4 to 6 miles, as regards the traffic which is not exchanged, would not be a serious burden.

President: I do not quite understand you.

Mr. Abady: I have admitted that the question whether a longer distance should be charged for where there are two separate hauls is a matter of comparative financial unimportance. I hope you have not imported into that admission that the fixing of the 6 as against the 4 as a normal scale is one of comparative unimportance financially.

President: I thought your remarks were addressed exclusively to the 9?

Mr. Abady: About the financial?

President: Yes, I gathered that.

Mr. Abady: Yes, exclusively.

President: Have you any evidence to show that the taking of the 6 instead of the 3, 4½, and 6, is going to cause any financial injury to them?

Mr. Abady: Mr. Ridley Warham can put in a table to show the effect of the increase in percentage. If as a fact they are paying for 4 or less, if they have to pay for 6 that is 50 per cent. more, according to the

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Mr. JOHN PIKE.

[Continued.]

incidence of terminals, and so on. It does not help the principle.

President: You are great on principle; that is your great argument?

Mr. Abady: I think so.

Mr. Jepson: But that principle does not mean necessarily that your witness—speaking for the North Eastern district—would necessarily have to pay more; because, take his 4 mile rate to-day, that must be an exceptional rate to any scale. So he gets a double protection.

Mr. Abady: Unless the scale is a 4 mile scale.

Mr. Jepson: Yes. But assuming for general purposes it is a 6 mile scale, he still retains his 4 mile rate as an exceptional rate—

Mr. Abady: By agreement.

Mr. Jepson: Yes. If they are more than 40 per cent. below the standard scale he can either agree or he can come to us to get it settled; and then he has the further protection that if under Section 34 he can make a case to show that the 4 miles was given for a good consideration, he may have even the 4 miles preserved. So it seems to me he has a double protection.

Mr. Abady: I do not think it necessarily follows, does it, that because he has a right under Section 36—take the case of an exceptional rate, it is true he can agree with the railway company, but if he does that it requires the sanction of the Tribunal.

Mr. Jepson: Yes.

Mr. Pike: I think it is more than 40 per cent.

Mr. Abady: It might be more than 40 per cent. In other words, it does not necessarily follow, if it is necessary to make an application to the Tribunal to sanction the continuance, that the Tribunal is going to sanction it. And I should say it would be a very good reply, if I may say so, for the Court to say, "Well, we fixed this distance at the 6 miles; we knew you were paying that; what do you think we did it for if we intended you should go on paying for 4?" Personally it seems to me to be an impracticable thing to make an alteration which does not have a real effect. I do not see that it is any protection that a trader can come at a later date and ask for a continuance of an exceptional rate.

Mr. Jepson: He had to get an exception when the Rates & Charges Orders were fixed in 1891 and 1892—he had to have an exception to the general rule then.

Mr. Abady: It was fixed by the Statute, and it was not an exceptional rate then; but it will be created an exceptional rate as from the appointed day; and unless he can show that the creation of the special statutory provision was granted for valuable consideration it may be difficult—it will be very difficult.

Mr. Jepson: You are asking that things which were granted—statutorily, I agree—as an exception to the general scale, that those exceptions should now become the standard and that the general scale should be swept away.

Mr. Abady: I suggest that the general scale has not the applicability that it might have; and Mr. Pike admitted that 80 per cent. of the traffic was charged at 6 miles.

Mr. JOHN PIKE, recalled.

Further cross-examined by Mr. CLEMENTS.

477. Should I be right in saying that each section of the whole line has a separate service of trains which you call roadside trains?—In a sense, yes. It depends on what you mean by "sections of the line." If you are talking about the sections which are in this table, I should say no; but of course, the short distance trains must be local to one particular district.

478. What am I to gather from that? That the particular sections to which you were referring are exceptional?—No.

479. I cannot quite reconcile the two things.—I am afraid it is rather difficult to explain.

480. Perhaps you will explain it to the Court if you can do so?—It does not in all cases follow that the distance shown down here as the length of the section

Mr. Bruce Thomas: No.

Mr. Abady: He said it was under 6 miles.

Mr. Bruce Thomas: We could not pull out the exceptions; but 80 per cent. of the traffic went from siding to siding. Leaving the difficulty of exceptions out of the way, it would be subject to the short 6 miles now.

Mr. Abady: Therefore, it would be less than 6 miles?

Mr. Bruce Thomas: Of course the minimum charge would not be payable—

Mr. Abady: And the bulk was exceptional rates. Well, Sir, I am sorry to have taken up so long, but I hope I have not wasted your time.

President: We are very much indebted to you for putting it so clearly.

Mr. Abady: If you please, Sir.

Mr. Clements: I may say at once, Sir, that I shall not be long, and for this reason. The National Federation of Iron and Steel Manufacturers, on whose behalf I speak, concur in the objections of the Traders Co-ordinating Committee, and on their behalf I concur generally in what my friend Mr. Abady has said; therefore I shall not be indulging in any repetition unless I should happen to do so from inadvertence. The first thing I should like to say is that the iron and steel industry is very greatly interested in short distance traffic. I do not think that would be contested. Particularly are they interested in the case of those works which are near the coast, such as the works in South Wales and on the North East Coast. A great part of the traffic of the industry is in the lower classes of the Classification; and you will remember that Mr. Pike yesterday, in answer to myself, said that the incidence of the minimum distance charge would fall very largely upon those classes. Therefore I think you will see from those few remarks that the interest is really a deep and serious one. I should like to come now to this rather vexed question of the figure Mr. Pike has so far submitted. We have just had handed to us these particulars, but, beyond stating the names of the sections and giving the wagon miles, I submit it does not carry the matter any further. I understood my friend Mr. Bruce Thomas to say that he was quite willing that Mr. Pike should go into the witness box again if it were desired. That is a matter, of course, which is entirely in your hands. But as a result of some efforts which have been made, under some disadvantage, to go further into this matter, if you should see fit to allow Mr. Pike to be recalled there are some questions which, with your permission, I should like to put to him.

President: I am very unwilling to shut out any evidence which may assist the Tribunal. I gather it will not extend over a very long time, will it?

Mr. Clements: I think it will be very short; because I am bound to say I have had no time to digest the points; therefore I am not in a position to do more than put comparatively few questions.

President: Will you oblige Mr. Clements, Mr. Pike, and do the best you can, as shortly as you can?

is the total journey of the train; but it is the fact in some cases.

481. That is exactly what I wish to get at. So that the particulars of the sections given here, the traffic conveyed would not be conveyed wholly and exclusively on that section; some of it would be going beyond?—Yes, some of it would.

482. Can you tell me how much of it in particular cases did go beyond?—It is quite impossible to say.

483. Are there no records showing that?—No.

484. Are there no records showing, for instance, where the trains stop, and how long they may wait?—There are records, if you take the separate journal of each particular trade.

485. Would that be the guard's journal?—Yes.

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MR. JOHN PIKE.

[Continued.]

Mr. Jepson: Do not you think it might save time if Mr. Pike were to tell us the basis upon which these figures have been prepared? You are asking for something which apparently is not included, and he is telling you something which is included. It would be interesting to the Court to know how these figures have been got out.

Mr. Clements: If you please.

Mr. Jepson: How they started getting these figures out for these various sections; then probably we shall get some light as we go along.

Mr. Clements: Provided I am allowed to put a question or two.

Mr. Jepson: Yes; I do not want to interfere with you at all; but I thought it was an easy way of getting at it.

Witness: I think it would probably be the more convenient way. There seems to be an impression that these are particulars which have been got out specially to deal with this particular case. It is nothing of the sort. I would like to explain for my own railway, as an example, how they came to originate. When we introduced traffic control on the railway—that is, the control of the movement of trains within a certain area from one particular point, which is intended, of course, to get the best use out of the engines that are at work—it became necessary to have some sort of test to see what the effect of this control was, and whether it had or had not improved the working. After a good deal of inquiry and some considerable thought, they came to the conclusion that the best thing they could do would be to take each section of the line—and the line was divided up into convenient working sections for that purpose—and see how many wagon miles were got out of each engine hour. It was intended merely as a measure of efficiency. The results of those tests show that there was an improvement under this system of control; therefore, it was gradually extended until it covered all the busy portions of the line. At the same time the preparation of these figures was extended. They are got, of course, from the brakemen's journals which show the number of wagons picked up and put off at each place where a train stops. They are totalled for each section, and then they are totalled again, like a total for the line, which is the total that is sent to the Ministry of Transport. Consequently, these figures are really the same as the details of the figures which go to make up the Ministry of Transport published figures. It was not got out for that purpose but for our own working purposes. But they did show, and I think it will be seen that these particulars do show, what a vast difference there is between the amount of use that is got out of the engine on the short distances than on the long distances. It shows, for instance, upon these 21 short distances that have been taken, the number of wagon miles was less than half of that which was obtained normally, and, consequently, the cost is more than double per wagon mile. If, on the other hand, the short distances are compared with the long, I think the difference is about five times.

486. I think the point to which Mr. Clements was directing his attention, and the point about which the Court would like to know, would be this: Take a section on the North Western Line, with which you are more acquainted—take Dudley and Walsall on the first page, under the heading "North Western." That is shown as 6 miles; and then certain particulars follow. Does that mean that as between Dudley and Walsall that train was entirely occupied in working on that section, or does it mean that the trains started from Dudley and in going along to Walsall dropped wagons or picked up wagons on that section, or went on still further to Birmingham or somewhere else?—It would include trains that run only from Dudley to Walsall, and trains which run from Dudley to a place beyond Walsall. The figures shown there of wagon miles are obtained by taking each wagon attached and

seeing how far it went on that train, multiplying it by the number of miles travelled.

487. I suppose any train that ran from Dudley through to Walsall without a stop, if they do that, such train would not be included in this statement?—It would if there were any; but I do not think there are.

488. *Mr. Clements:* Would it also include trains coming from beyond Dudley?—There are none.

Mr. Jepson: Dudley is the end of the North Western there. They would probably start from Dudley to commence their work.

Mr. Clements: Would it in any other cases?

Witness: Yes, if they stopped and did local work in the section.

489. *Mr. Jepson:* So that for this section, for that particular period you have taken, all the engines that were employed in bringing goods or coal traffic during that period, and taking into account the number of hours they were employed in that section and the number of wagons they dealt with, you get the number of wagon miles per engine hour for those particular periods on that section?—That is so; every train that worked over that section.

490. *Mr. Clements:* Could you give the revenue that was obtained from the traffic carried by these trains?—No. I think it is evident from what I am trying to explain, from the way in which this information is obtained, it would be quite impossible to get at the revenue.

491. I should put it to you that, that these figures consequently are not really (I do not want to say it unpleasantly) a fair statement of the matter?—I am afraid, if that is so, it is because they have not been appreciated. It seems to me that they are rather important figures. They are figures, anyhow, on which I must rely.

Mr. Clements: I should submit that they are incomplete.

Mr. Jepson: Does it really matter what the revenue is? Supposing it were shown that on some of these high sections by reason of the cost, if the revenue could have been got out, it was a minus quantity, how would that help you?

Mr. Clements: If it sent that way it might not help me. But supposing it went the other way?

Mr. Jepson: Supposing it showed a small profit?

Mr. Clements: You will forgive me, I am sure, but why should you suggest it should be small?

Mr. Jepson: It seems to me the revenue has nothing to do with it when you are comparing the comparative cost of working short distance traffic and long distance traffic.

Mr. Clements: Yes; but as I understand it, one of the grounds on which these minimum distances are asked for is that the railway companies' expenses have increased.

Witness: Yes.

Mr. Clements: And that it is necessary for them to find revenue to balance it.

Mr. Jepson: How do you suggest, if the railway companies are asked to get at some approximate figure to show the difference in cost of dealing with short distance and long distance traffic, it should be done except by taking actual figures over a period?

Mr. Clements: If you take all the facts.

Mr. Jepson: What facts which are pertinent are missing here?

Mr. Clements: I have submitted that the revenue is pertinent; and I also suggest that the traffic is pertinent, and the class of traffic.

Mr. Tocket: What you mean to some extent is that you prefer ton miles to wagon miles in this case?

Mr. Clements: Yes; I think that is what in effect it would come to. But as it stands I do, with great deference, suggest that it is not a sufficiently complete statement to justify the Tribunal in coming to a decision upon this matter.

492. *President (to the witness):* What do you say to that, about the ton miles and the wagon miles?—We have not got ton miles; I am sorry. It is not

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[Continued.]

got out for each section of the line in this way, and it cannot be given.

493. *Mr. Locket*: Can you give us any information as to what difference there would be. From your expert knowledge, do you not think there would be a material difference between ton miles and wagon miles in this respect?—Relatively?

494. *Yes?*—No; I should not think there should be. I have no reason to suppose it. It might be possible that when you come to the longer distances some wagons were more lightly loaded because they contained higher class goods.

495. Then *Mr. Clements'* point comes in as to revenue; you say that would be equalised by the higher rate for the traffic?—Yes.

496. *Mr. Clements*: Does it not come to this, in view of what you have said: That this is not really short distance traffic at all, these earlier ones?—It shows the relative efficiency of work which is obtained out of an engine on a short distance run and on a long distance run; and as the cost depends on the work you can get out of your engine and your men, it does show, I would suggest, that it must be much more expensive to work the short distance traffic than the long.

497. I am afraid I do not agree with you on that?—I might, perhaps, explain to the Tribunal that we did attempt, in order to support this case, to get actual costs, and a special committee of expert accountants and traffic experts was set up—a small committee—which went into the thing very exhaustively, and it was found impossible to get anything that was in any way reliable.

498. *Mr. Jepson*: It seems to me, *Mr. Pike*, the case you have to meet is this. I am putting something which *Mr. Clements* might put, but we want to get at the bottom of these things if we can. *Mr. Clements* might say that unless he has the revenue he cannot tell whether the higher rates which are permissibly charged for shorter distances than for long distances do not already compensate you for this difference in your cost of working?—The cost of working is so much higher that I think it is pretty evident that it could not.

499. *Mr. Clements*: You will forgive me, but on the cost of working you have not given the figures?—I do not know. I have shown that on the short distances the work got out of the engine is one-fifth of what it is on the long; therefore the cost is five times as great. The rate is certainly not five times as great.

500. That is a sort of estimate?—It is a figure.

501. I thought you told my friend *Mr. Abady* yesterday that you could not give the relative costs of the long and short?—No, I cannot; not beyond that. But, taking these average figures, it is five times as great.

502. *Mr. Locket*: I suppose if you had time you could work out what the increased cost of engine power on these figures would be?—Yes. But the one is five times as great as the other. And as the engine power costs have gone up something like four times what they were pre-war—

503. It could be turned into money?—Yes. It is evident that the increased engine costs in the case of the short distance traffic is greater than in the case of the long distance, mile for mile.

504. *Mr. Clements*: I suggest to you that this table only shows the work done by trains including long distance trains, and that it is not essentially a short distance statement?—No, I do not agree. It is a short distance statement, most decidedly—the first part of it; the second part is a long-distance statement.

505. I thought you told me a little while ago that this included all trains over that section?—All trains that do work on that section, yes.

506. And nothing beyond it?—None of them go far beyond it.

507. Do these trains pick up traffic as they go along?—Yes.

508. I put it to you that that is not short distance traffic; that procedure has no reference to short distance traffic?—I do not know why.

509. I gathered the impression that you were going to give us particulars of exclusively short distance traffic?—No.

510. I think you got it when I put the question to you?—I think I said yesterday in submitting the figures that these were figures for sections of line where there was a large amount of short distance traffic.

511. A large amount?—Yes.

512. Then I must take from you that that is so?—Yes, that is so. I did not make the selection. I do not want you to suppose that these are specially selected cases.

513. I do not suppose it for a moment?—I asked for typical instances where there were a lot of short distance cases.

514. I understood yesterday that you were going to give typical instances, and I do not for a moment suggest those would be specially prepared cases. I am taking the section on the London and North Western at the bottom of page 1; the places mentioned there. Are they congested areas?—Yes; all places where there is a lot of short distance traffic are congested areas.

515. Will you turn to page 3 and look at the middle; the London and North Western Railway. Do the trains referred to there do all the picking up and shunting?—They would include the trains that do the picking up and shunting.

516. They include them?—Yes. But the bulk of the trains would be trains that are run through.

517. Have they been responsible for collecting any of the traffic which was referred to on the shorter sections taken, or such traffic?—On these sections there would not be probably more than one local train a day each way; whereas there would be a considerable number of through trains which might stop here and there to put off a truck or to pick one up. But, generally speaking, it would be confined to the small amount of traffic that is picked up by these local trains. They would be included.

518. *Mr. Jepson*: As I understand it, taking Nuneaton and Stafford on the main line of the London and North Western, you have taken for these periods the whole of the goods and mineral trains that run between Nuneaton and Stafford?—Yes.

519. A good many are point to point trains, not stopping; others are trains which would stop at some of the wayside stations to pick up or to put off.—Yes.

520. All those have been included, whether they are point to point or whether they stop to pick up or put off.—That is so. But, of course, on a section like that the number of stopping trains is comparatively small.

521. Quite so.—It might help you, *Mr. Clements*, if you turn to the Great Western statement, the last one. In that case the particulars are got out in a different way. You see it is rather differently shown, because the Great Western particulars are recorded differently. There the particulars that are shown under the heading "short distance trains" are exclusively trains that stop at every siding.

522. *Mr. Clements*: And do not go off the section?—That is so. All the long distance trains are the non-stop trains. So that there you have exactly what you were asking for just now. But you will see that shows a very similar result to the others.

523. Do those short distance trains pick up traffic for the long distance trains?—Yes.

524. *Mr. Jepson*: When you say that, you mean that the short distance trains pick them up and take them to some junction where they may be joined up to the long distance trains.—Yes, certainly. A train running from London to Slough would pick up traffic at places like Brentford and Hayes and Southall and take it on to some place where a main line train could pick it up. But that is a local journey so far as that train is concerned.

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[Continued.]

525. *Mr. Locket*: It comes into the list of short distance traffic in the section where it is picked up, until it gets to the junction.—Yes.

526. Then it comes into the long distance?—Yes.

527. *Mr. Clements*: So that really you debit the short distance traffic with the shunting done in connection with the long distance?—I think if you are going to make that comparison you might turn it round the other way and say it is credited.

528. I do not see that that applies.—It is not a question of shunting. This is the wagon miles that are obtained per engine hour.

529. But I am asking for more than that.—The longer distance the wagon is taken on the train the less is the time occupied in shunting; and, therefore, it is an advantage to the short distance traffic to have some of this long distance traffic included.

530. But, you see, you are here giving a number of short distance sections and a number of longer distances, and they seem to be intended to be two entirely separate matters. But I think from what you said just now it is quite clear that the things are intermingled?—I agreed with you yesterday that they merge; but the quantity of long distance traffic on the short distance trains is comparatively small; and the quantity of short distance traffic on the long distance trains is also comparatively small, and, as far as it affects the figures at all, it is to the advantage of the short distance.

531. That is a matter which it is impossible for me to test, as I have said. Without further particulars of the kind I have suggested, this is not an absolutely complete statement. I am sorry I have kept you so long?—If there is any way in which we can amplify it to meet your requirements we would be glad to do it; but I cannot give you receipts, and I do not see what use they would be to you if you had them.

532. Does that mean that you would be prepared to submit some figures to the Tribunal for this purpose?—If you tell me what you are wanting. So far you have only asked for receipts, and that is an impossible thing, and I do not see how it would help you a bit if you had them.

533. Forgive me; I asked for a good deal more than that. I have asked for the kinds of traffic and the quantity of traffic and the receipts upon it. I thought I had made that quite clear.—I am sorry none of that information is available, nor could it be obtained.

Mr. Jepson: Mr. Pike said it was taken from the brakemen's journals. One knows they give the wagon number and the place where a wagon is put off or picked up; but they do not show what was in the wagon. Wagons do not show, as a rule, the weight. Many of the wagons would be sheeted, and the brakeman would not know what was in them. He could say whether it was a wagon of coal or of iron ore; he could put that down if he were instructed to do it; but he would not in the ordinary way.

Mr. Clements: That particular official no doubt could not do that. But what I suggested with regard to the guards' journals was that they would show the stopping and the waiting of the trains.

Mr. Jepson: Yes; they would show that.

Mr. Clements: But all other matters, such as the traffic, and the total carried, must be recorded somewhere.

Witness: It would be impossible to identify the charges with the traffic on any particular train.

534. *Mr. Clements*: Would the guards' journals include particulars of the points of origin or destination of the traffic?—No.

535. As to the other matters for which I have asked, you say it is not possible to get them?—I am afraid it is not possible to give any. I think we might be able to give, if you would select one place, the proportion between goods and minerals if that is any help to you.

President: That would not be much good, would it? The figures that are given here seem to be so substantial that they seem to me as if they would want a lot of shaking. Here is Mr. Pike putting

in a table for short distance trains; he gets there wagon miles per train engine hour, 127; long distance trains, 520. It is a very substantial difference and would want a lot of shaking.

Mr. Clements: But you will bear in mind, Sir, that my suggestion is that these are really not particulars of short distance trains.

President: Yes, I have borne that in mind, and tried to follow it; and Mr. Pike explains to you that they are. I do not know why you should say they are not.

Mr. Clements: When he says that these so-called short distance trains pass beyond the short section and carry long distance traffic? He has said that plainly.

Mr. Bruce Thomas: It is to the benefit of the comparison.

Mr. Clements: That is another matter.

President: Will you explain that to Mr. Clements. *Witness*: If the short-distance trains go beyond the distance laid down here, they do not go far.

Mr. Jepson: If you look at some of these sections I think it must be clear to you—it will be clear to Mr. Abady in the case I am going to call attention to now—that there must be a very large quantity of short distance traffic. One distance is Tydesley to Springs Branch, a place teeming with works, and there would be many hundreds of thousands of tons passing for short distances between Tydesley and Springs Branch between collieries and works all subject to a six miles minimum. I know that from my own knowledge, and Mr. Abady, or if he does not know it himself, the people who are advising him will tell him that is so. There cannot be any question about it.

Mr. Clements: The point is whether that traffic is carried exclusively by short distance trains.

Witness: Yes, that traffic certainly is.

Mr. Jepson: Springs Branch is the marshalling place for the district. There are works all along the railway, and these works are being served by the collieries in the neighbourhood to a large extent. One knows from one's own experience that that is a section where it would be mainly short distance traffic.

Mr. Clements: True. But in other cases—

Mr. Jepson: I cannot speak from my own knowledge of a lot of sections on the North Eastern; but probably Mr. Abady's North Eastern friend could tell us whether, taking one of the North Eastern cases, there is not a vast deal of short distance traffic. Take Tyne Dock and Stella Gill.

Mr. Clements: Those are instances of short distance traffic carried by exclusively short distance trains. But I want to know how it works out with regard to other sections and with regard to other traffic.

Mr. Jepson: I thought your point was that this was not short distance traffic to pick up traffic being taken to a junction, but was really long distance traffic. Mr. Pike, however, has said this is mainly short distance traffic, although there may be some of that other in it—6 to 12 miles.

Witness: Yes.

Mr. Clements: I submit with great deference, for the reasons Mr. Pike has given, he has answered frankly that this is not exclusively short distance traffic. He has answered it frankly, as he always does.

Mr. Abady: The answer about Stella Gill, if you want to know, is that I understand there are a number of collieries grouped round there, and this is substantially colliery traffic which goes from those groups to Tyne Docks. Of course it is suggested that the wagon miles do not show you anything. We wanted ton miles on account of the train loads.

Mr. Jepson: This is a section on which there is a lot of short distance traffic, between Stella Gill and Tyne Dock.

Mr. Abady: Yes. There are 20-ton wagons full of coal.

536. *Mr. Locket*: I am anxious to make certain whether I clearly understand what is intended to be

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drawn from the figures of short distance traffic in the case not only of what is known as short distance traffic but in the case of minimum distance traffic? Yes.

537. These figures show the number of engine miles employed in working the whole of the short distance traffic, including the minimum distance traffic?—Yes.

538. *A fortiori*, therefore, the number of engine miles employed in working the minimum distance traffic could not be greater than this; if anything, it is likely to be less; because the through traffic would tend, perhaps, rather to assist the figure?—That is what I have been trying to make plain.

539. I was anxious to make sure that I appreciated in my own mind the difference between what is known as short distance traffic and minimum distance traffic?—Yes. What you say is quite correct; it is exactly the point I have been trying to make; unsuccessfully, I am afraid.

540. *Mr. Clements*: Would not there be an offset there, taking the matter the other way round—the longer distance trains putting off the short distance traffic?—That, again, is to your advantage.

541. If there is an advantage on the one hand should there not be a disadvantage on the other hand?—In both cases it is to your advantage. It reduces the wagon miles in the case of the long distances to slight extent, and it would increase the wagon miles to a slight extent—no, I am wrong; it is the other way about.

542. I am unable to see for the moment—

543. *Mr. Bruce Thomas*: It makes the difference between the two rather less?—That is so. It makes the difference between the wagon miles obtained on the short distance hauls and the long distance hauls rather less than this, in fact.

Mr. Clements: I am quite unable to appreciate the fact that there is no saving either way. I am quite unable to see that when you mingle the two (as it were) that the matter stands on the footing which you originally suggested. I cannot carry it any further than that. May I now conclude the few observations I have to make, Sir?

President: Yes.

Mr. Clements: Perhaps I might be allowed to ask one question which has been suggested to me; that is, whether those particulars of miles include empty wagon miles?

Witness: Yes.

Mr. Clements: Now, Sir, I have only one observation to make and then I can leave that particular matter. My submission is that what has been submitted to you on behalf of the railway companies in support of their proposal with regard to short distance charge is insufficient and incomplete. With deference, I submit that it is not such evidence as would justify the Tribunal in deciding to accept the proposals of the railway companies. I think I ought to mention that the special minimum distances and special charges to which I referred on the opening day were those in which the Objectors who appear on the list for South Wales and Monmouthshire are interested; they are the Welsh Plate and Sheet Manufacturers Association; the South Wales Siemens Steel Association; the

Monmouthshire Freighters, and the Incorporated Swansea Freighters. In addition to those, there is a very important section of Objectors, the Cleveland Ironmasters Association. They are interested in the special provisions which you will find set out at very great length in the Board of Trade Analysis; they were specially preserved by the Rates and Charges Order of the North Eastern Railway Company. Looking at the list of proceedings—what I may, perhaps, call the programme—I see that their objection appears under “Tolls.” They are interested in tolls, of course, but they are also very largely interested in this particular question of the special minimum distances and charges. The total length of what is called the Middlesbrough Owners Railways, those are the sections in question, is something like 3 miles; and there are innumerable small charges prescribed in the Act which is preserved in the Rates and Charges Order relating to various parts of that railway; and I think I can make the position clear by putting in this plan—*(some handed)*—which shows the particular section of the railway, and you will see how it is surrounded by works.

President: Are not you going to preserve your right to apply under Section 34?

Mr. Clements: Yes. The Cleveland Ironmasters, the traders interested, and the railway companies’ officials, have been discussing the matter with a view to arriving at an arrangement, if possible, and I believe that the negotiations will be continued. I mention it not only that the Tribunal may know what is going on but also to show the very great importance of the position of these traders being preserved in relation to Section 34. I think it is important that the Tribunal should know what it means to them.

Mr. Jepson: Is the Middlesbrough Owners Railway incorporated as part of the North Eastern now?

Mr. Clements: Yes. It became so, I think, under an Act of 1884. You will find the facts mentioned in the Blue Book Analysis.

Mr. Jepson: I understand it is page 201.

Mr. Clements: Before you go to that, I think you should look at the preserving section which comes earlier; it is page 118, paragraph 1, at the bottom.

Mr. Jepson: Yes; that is specially preserved from the general scheme of the Rates and Charges (Order Confirmation) Act applicable to the North Eastern Railway. So that it does clearly come within Section 34.

Mr. Clements: Yes, I should say, certainly. I would ask you to bear in mind that these traders are greatly interested in that matter and the preservation of their position under Section 34. I have only one other matter to mention and it is this, I appear also for the National Council of Coal Traders, and for the Joint Transport Committee of the Glass Bottle Manufacturers Association. You may remember that they put in separate objections to this point, but the Tribunal will be glad to hear that they do not propose to proceed upon those objections and that they support the objections of the Traders Co-ordinating Committee. I think that brings the traders wholly into line.

Mr. JOHN PIKE, Recalled.

Cross-examined by Mr. BRADLEY.

544. With regard to the scales put in; I will ask you particularly with regard to the London and North Western Railway. Take a special instance, Edgeley to London Road. I take it that the traffic referred to there passes to and from London Road Station and not London Road Junction?—Both. It includes everything that the trains picked up or set down between Edgeley and London Road which would include traffic put off at London Road Junction.

545. Of course there is a big distinction, because London Road Station is a number of chains beyond the Junction; and the traffic from London Road Junction would include traffic coming over the south junction

line and another section?—The whole of that traffic would be included for the distance which it passes only.

546. Then it is from London Road Junction and not from the Station?—It is from every place between Stockport and London Road Station, including London Road Junction, Longsight, and every other place.

547. Included in this table is the train mileage and engine mileage between London Road Junction and London Road Station?—No.

548. That must be so, I think; if you take the traffic from the station as well—I did not quite get your question, I am afraid.

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549. The train mileage and the engine mileage between London Road Junction and London Road Station would be included in this.—There is no train mileage; it is only wagon mileage and that is the number of wagons multiplied by the distance which each wagon travels.

550. Then you include the distance between London Road Station and London Road Junction?—If the wagon passes over that distance, but not otherwise.

551. Then, of course, there is a distance over and above the short distance between London Road Junction and Edgeley to which such short distance clauses as we are going to arrange will apply?—I do not quite follow the point of your question.

552. The difference between London Road Station and London Road Junction is part of the through route, and in this table you have included two short distances, that is to say, between London Road Station and London Road Junction, and between London Road Junction and Edgeley.—I am sorry, but I really do not understand what you mean.

President: Where do the two short distance sections come in? Are there two different companies?

Mr. Bradley: Between London Road Junction and a portion of Ardwick there is a joint company.

Mr. Jepson: I do not understand the point of your questions with regard to this joint line. This is a section of the London and North Western Railway, as I understand, between Edgeley Junction and London Road Junction; and whether the traffic is to or from London Road Station or not, if it passes over that section of railway between Edgeley Junction and London Road Junction it is included, and all other traffic which passes over that Edgeley to London Road Junction is included; and you have the number of wagon miles per engine hour which have been obtained. I do not understand what you mean by a portion being over a joint line, or there being two short distances.

553. *Mr. Bradley:* Mr. Pike tells us this includes traffic from London Road. (*To the Witness:*) Does it include any wagon miles between London Road Station and London Road Junction?—Yes, it includes all the wagons that pass between London Road Station and London Road Junction.

554. That is my point. It includes also London Road Station and London Road Junction as well as beyond London Road Junction to Edgeley?—Yes, I hope I am not misleading you. I do not quite understand the object of your question, but—

Mr. Locket: I do not know whether Mr. Bradley is trying to suggest that they are included twice over?

Mr. Bradley: No. What I am trying to suggest is this—

Mr. Locket: I cannot see the point of the question. *Mr. Bradley:* I am trying to suggest that if this includes the wagon miles from London Road Station to London Road Junction and from London Road Junction to Edgeley, it must include a number of wagon miles included at London Road Junction for shunting, which is part of the terminal question.

Witness: Oh, no. This is only the train engine time; it does not take into account station shunting.

Mr. Bradley: Does that apply in all other cases where you have mentioned a station instead of a junction?

Mr. Jepson: Would it not clear up the matter—tell me if I am right—if instead of saying Edgeley and London Road it should be London Road Junction and Edgeley Junction?

Witness: It is Edgeley Junction and London Road, anything there. But the time the engine was occupied in shunting at the station, as distinct from working on the train, is not included. It is only the train time that is included, not the shunting time.

555. Mr. Bradley seems to think that the time—if it were the case, which everyone knows it is not—a train engine taking the traffic from London Road does not do the shunting in the yard; it is left to the local shunting engine to do that work—but the

time occupied by the local shunting engine in the London Road yard is not part of this statement?—No; and if the train engine did any shunting in the London Road yard that would not be included.

556. *Mr. Bradley:* You say it is not possible to get ton miles with regard to all the companies except the North Eastern? I understood the North Eastern did go in for ton miles?—We all produce ton miles now; but it is not possible to give you ton miles except on those particular sections of line.

557. But could not they be given to us in respect of some particular sections of short distance traffic on the North Western system, even from the past records?—I do not know. I could not give it to you for the London, Midland and Scottish, although we have had ton miles for two years now.

558. But I should think for the North Eastern you could have given us the pre-war basis on which we could work for short distance traffic. You must have the figures?—I should not think their practice would be different from ours, because we have modelled ours very much on theirs, and we could not give it for a short distance like this. We could not discriminate as between short distance and long distance sections in the same way as we can in respect of wagon miles.

559. These are for only a few of the companies. Are the Midland and the Great Eastern giving practically the same results?—What I did was to take one company from each of the three Northern Groups and one Scottish company.

President: Have you any questions, Mr. Bruce Thomas?

Mr. Bruce Thomas: Yes, Sir.

Further re-examined by MR. BRUCE THOMAS.

560. There is one matter that has been continuously asserted this morning which I might put to you. That is, that the bulk of this short distance traffic comes in large volumes. Is that correct?—Oh, no; that is not so. It is so, of course, where it is coal going to a port for shipment; but it must not be assumed that that is the whole of the traffic. There is a very considerable portion that goes from one siding to another siding in districts like Birmingham, or Sheffield, or Leeds, or Wigan, and so forth, that does not go in anything like trainloads; and it may be taken that in those particulars, generally speaking, the trainload for the short distance traffic would be lower than the trainload for the long distance traffic.

561. Then your tables were criticised by my friend Mr. Clements on the ground that you had not taken sections which had exclusively either short or minimum distance traffic. Could you find such a section on your railway?—No, it could not be found.

562. You certainly could not find a section where they only deal with minimum distance traffic?—No.

563. Or with short distance?—No.

Mr. Clements: Might I make a suggestion, Sir—or, perhaps, I should call it an application? It is whether you would allow a statement to be put in showing in what helpful manner Mr. Pike might submit his figures in the direction which I have indicated on behalf of the iron and steel traders?

President: I do not know what my colleagues think of it. But we shall be deciding this question, shall we not?

Mr. Clements: I have here a gentleman—

President: Is there anything within Mr. Pike's knowledge which you think he could produce at short notice and which you think we ought to have?

Mr. Clements: I think I should not be exaggerating if I said that we have been placed in a great difficulty by the late production of the figures with regard to which I endeavoured to cross-examine Mr. Pike. It is extremely difficult to master a matter of that kind and arrange one's thoughts in an off-hand sort of way. It is a difficult and highly technical matter, and it is a matter which is of great importance to the iron and steel industry.

President: Is it from the point of pounds, shillings, and pence it would influence them?

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[Continued.]

Mr. Clements: The traffic—the rates.

President: But on the short distance point, do you say that the proposals of the companies which they now put forward will inflict any pecuniary injury on the interests you represent?

Mr. Clements: My representation was that it must fall very largely on that industry.

President: Have you any evidence to support that? With regard to the production of evidence, there is not only a burden on the railway companies but there is a burden on the Opposition. They have certain evidence of their own, and they can say that whereas certain traffic has cost so much in the past it will cost so much more in the future. Have you any evidence of that?

Mr. Clements: I propose to tender evidence when you reach the mileage gradations. The matters to a certain extent overlap, and knowing the matter was to be fully dealt with by my friend Mr. Abady I thought it would be the better course to tender my evidence when I got to the question of the gradations.

President: But we are now upon this first proposal under Section 48.

Mr. Clements: Yes.

President: Have you any evidence which would tend to show that their trade is hit by these new proposals?

Mr. Clements: No, I am told it is not proposed; in fact, there is nothing ready showing what the effect financially would be, and therefore I am not able to do anything in that direction, but as I was saying I do propose to tender evidence when you reach the mileage gradations, and such information as I have suggested would be very pertinent in considering that matter.

Mr. Jepson: I suppose all the witnesses you could put in against the proposal of the railway companies to adopt 6 instead of 3, 4½ and 6, would be people who had special protection under the Rates & Charges Orders Act by means of the 3 or 4 miles minimum, or something like that?

Mr. Clements: They would be some of them.

Mr. Jepson: I should think the bulk of them.

Mr. Clements: But there may be others; I am speaking off-hand.

Mr. Jepson: I should doubt if there was anybody other than those who had special protection under section 34.

Mr. Clements: Of course, you will not forget, as Mr. Abady pointed out this morning, that the 18 miles, of which we have heard so much, is not a practical proposal.

Mr. Jepson: Take your iron and steel manufacturers; one cannot imagine them sending traffic between station and station and being charged 3 miles, or sending traffic between siding and station and being charged 4½ miles. There might be an odd case of the kind, but, generally speaking, their traffic would be siding to siding traffic and be subject to 6 miles already, unless it came under some of these sections, where the 4 miles minimum prevails.

Mr. Clements: I confess that would be the evidence principally to be tendered, but you can quite understand that I wish to guard my position in case there is any other evidence.

Mr. Bailey: You will remember that yesterday I addressed a few remarks to you, and only a very few, on the subject of a protective clause as far as regards this particular matter. I also said it would relate more to the mileage gradations, and I had rather anticipated that you would perhaps decide the two questions together, and with one proviso to your decision that would probably meet my case. I have given my friend Mr. Bruce Thomas a copy of this suggested proviso for his consideration; whether he had had time to look at it or not, I do not know, but if you are going to decide the matter now, it is important that I should immediately put in my proviso.

President: I do not know, Mr. Thomas, whether it would hamper at all the conduct of the case from

your point of view if we suspended our decision on section 48 until we had considered mileage gradations, when the whole matter would be before us. We are very anxious that the traders should have every opportunity of putting their case in the way most favourable to themselves.

Mr. Bruce Thomas: So far as we are concerned, we are entirely in your hands. We do not feel that it would be inconvenient at all to adopt that course. I should have liked to have said a very few words on the question of minimum distance.

President: I did not want to shut you out.

Mr. Bruce Thomas: I did not know whether I should do so now or a little later on.

President: I think you might do so now.

Mr. Bruce Thomas: If you please; I shall be very short.

Mr. Bradley: I take it that the traders' case is not closed.

President: Is it not? I thought it was. Do you want to speak?

Mr. Bradley: Certainly.

President: Very well then, speak away.

Mr. Bradley: I have before me a document which I should like to read. We have duly lodged our objections, and this is in support of them. On behalf of the Manchester Chamber of Commerce, "We propose that where the conveyance is upon the railways of one or more companies the minimum charge for the entire distance to be as for six miles. Objection is made to the principle of making any difference in respect of minimum distance whether the traffic passes over the railways of two or more companies. We understand that the proposals of the railway companies for minimum distances to be charged under Section 48 of the Railways Act, 1921, are intended to apply separately and individually to each amalgamated company and to each company to which the Rates Tribunal, under Section 33 of the Act, may apply a schedule of railway rates, also to any other company to which may be independent of those companies. We propose that whatever minimum distance is fixed by the Rates Tribunal should be made applicable to such minimum distance over the railways of Great Britain as a whole, that is, as if the railways were one and this unit is to include all railways over which traffic passes without change of truck. In support of our asking that the railways shall be treated as a whole, we would refer to the Second Report of the Select Committee on Transport dated 1918 (Paper 136) which reads:—'Whether the State or one large joint stock concern owned the railways would be immaterial . . . the essential conditions are that there should be single ownership and single management.' We believe the grouping system was an alternative to the creation of a single railway system or of nationalisation. Had either of these latter schemes been adopted there would have been no question of minimum distance over two or more railways. Under the outline proposals of the Government (Cmd. Paper 787) it was stated that the intention was to absorb the smaller and independent broad gauge railways within each area, 'light railways' only being excepted. In their replies to the questions from the Ministry of Transport in 1920 (Cmd. Paper 692) the Association of British Chambers of Commerce and the Federation of British Industries and other bodies asked for continuous mileage as if the railways were one. The Report of the Rates Advisory Committee laid down several principles relating to this question. (Cmd. Paper 1068.) First, 'The charges must in no case be less than cost to the railway companies of rendering the services. Our comment here is that reference is made particularly to 'companies' as a whole and not to any one company. On page 8 we read: the cost to the companies of carrying goods a short distance is proportionately greater than that of carrying the same quantities over a long distance. The actual cost of haulage when once the merchandise is loaded in trucks and the train made up is comparatively

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small, and the running time of a train is a small part of the time expended in transportation, but the terminals cost of handling, shunting at sidings and delay are the same in the case of long or short haul. Second: The charge must in no case be more than the value of the service to the traders. Our further comment is that the value of the service to the trader is the same however many railways the traffic may pass over, given the same distance, it is unreasonable that the incident of a trader's situation in respect of the railway grouping, that he should be subject to different minimum distances. In view of these we submit that the charges for conveyance should not vary on the basis of minimum distance according to whether traffic passes over two or more railways. It was left to this Tribunal to decide whether the minimum distance should be greater, and if so, to what extent in case one railway (page 35). At the same time, it was pointed out that if additions are made for the terminal charges and to siding owners there is less ground for increasing the distance for which the minimum charge is to be made. If this Tribunal is not prepared to treat the railways as a whole for the purpose of minimum distance and adhere to a greater minimum when the transit is over two or more railways, we submit that such minimum should be applicable only when the total transit over any number of railways is less than the minimum, and that it should apply to the railways as a whole, that is to include grouped, joint, and independent railways. The Rates Advisory Committee under paragraph dealing with continuous mileage (page 36) made a special reference to minimum charge for short distance. Of course, when traffic passes over two or more railways the question of through rate arises. The Committee advised that the adoption of continuous mileage should apply in the case of short distance traffic and the fixing of the minimum charge, and they added, we consider the anomaly of making two minimum charges as for 6 miles each over a transit of possibly a total distance of 4 or 5 miles even more objectionable than that of differing charge for long distance hauls according to whether the transit is one or more railways." Then there are one or two other points that we desire to bring forward; I am afraid one has just been dealt with: "As to the loss which individual companies may fear they would sustain in the adoption of the traders' proposals, the Rates Advisory Committee considered such loss and advocated that it should be borne by the traffic as a whole. In effect this is practically what takes place to-day, since the division of receipts between the companies is upon the mileage covered without regard to the minimum distances, and these are only used when a trader seeks the powers of the company to test a particular rate. Our other point is that the Rates Advisory Committee left the determination of an important principle as to the actual rates and distances for short hauls until the railway companies got out the figures as to the respective costs for long and short hauls. We are now asked to fix the distances without such information, but we do request that the Tribunal shall have such figures produced and submitted for information to the traders before we are committed to the actual charges. We make these representations from Manchester, particularly as we at present have in our environment every class of railway we have referred to. The Manchester Ship Canal Company is entirely independent and works its own traffic. Many traders are situated on the Dock Railways, they should not be subject to more than the actual mileage of their traffic"—that is, with the same minimum as everybody else instead of 9 miles, or I do not know yet on what Mr. Pike said yesterday, that it might not be 6 miles tacked on to the main line companies' mileage. Then "The Trafford Park Railways have the powers of a statutory railway, at present their traffic is worked by another company, but should

the Trafford Park Company elect to work it themselves, the mileage gradation.

selves, the application of minimum distances would seriously prejudice traders."

Mr. Bruce Thomas: If they changed engines at the junction, which is quite impracticable.

Mr. Bradley: The Trafford Park Company would change engines, because the Trafford Park Company would work their own traffic over their own railway. The railway companies' locomotives do not come on to either the Ship Canal Railways or the Trafford Park railways.

Mr. Jepson: The Cheshire Lines at present work the Cheshire Lines traffic over the Trafford Park Railway.

Mr. Bradley: The Manchester Ship Canal Company work it as agents of the Cheshire Lines.

Mr. Bruce Thomas: That is the same thing.

Mr. Bradley: There is a change of engine, but the peculiarity occurs through the second engine being in the agency of the first company.

Mr. Jepson: But you would not say that the traffic over the Trafford Park is not worked by the Cheshire Lines. If you were arguing as to whether there should be two minima you would at once say: "Although the Ship Canal act as Cheshire Lines yet it is the Cheshire Lines working for that purpose."

Mr. Bradley: I would, because they are the agents of the Cheshire Lines.

Mr. Bruce Thomas: Who makes the payment to the Ship Canal?

Mr. Bradley: The railway companies pay the Ship Canal.

Mr. Jepson: Who pays the Trafford Park?

Mr. Bradley: The Ship Canal and the railway companies combined. "Whilst it may be that by arrangement Manchester Town Docks, Dock Sidings and Trafford Park may obtain rates on their respective bases, it is essential that all joint companies and separate companies in the vicinity of Manchester should be treated as one railway for the purpose of calculating minimum distances, otherwise, these areas will be at a disadvantage against other towns into which grouped railways run direct, we submit this was a difficulty that the merging of railways into groups was intended to cover."

Mr. Davis: If you are closing the case for the Traders in connection with minimum distance I should rather like to make a point in relation to the objection made by the United Alkali Company. We gave notice of objection in regard both to the minimum distance and to the mileage gradations. The remarks I make will cover both objections, but I suppose that does not matter; I will get rid of the two at once. The point we wanted to mention is really connected with Section 34 which I rather think you have already had mentioned to you more than once.

President: I have it in recollection.

Mr. Davis: We have works at Widnes and at St. Helens, and under the St. Helens Canal and Railway Transfer Act, 1864, which is one of the Acts preserved in the Rates and Charges Order, there are special provisions in regard to charges. There is no provision as to minimum distance, or, in fact, covering such a thing as mileage gradations at all. I rather understand that you have expressed it as your ruling that nothing done under the present Section 48 and under the Fourth Schedule really will prevent any application being made under Section 34, but the doubt we feel is this, and we should rather like it to be made clear, that there will be no restriction in the extent of the application we can make when we come to apply under Section 34. We do not want to have it said: "Oh, the minimum distance and the mileage gradation have already been settled under another section, and, although you may be prejudiced by what was settled under those circumstances in relation to your rights under Section 34, we must maintain what was then laid down, and you must accept it under Section 34." I would like to have it, if you would say that you agreed to that, that when an application is being made under Section 34

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all questions relating to the application can be raised. I think that covers the objection that we make under both cases of the minimum distance and

President: I suppose really if your application is under Section 34, and we exercise the power we have in favour of extending that, the facilities or the privileges which you had would be subject to adjustment, would they not?

Mr. Davis: You mean the word "relatively"?

President: Yes.

Mr. Davis: Yes, the word "relatively" comes in, but I am not quite satisfied that when you come to put into operation the word "relatively" we shall not find that we have been prejudiced by some of the matters that you have settled under other sections. At the present time the mileage gradation is the first 20 miles.

President: The relativity might be altered by what we have done.

Mr. Davis: Yes, that is so.

President: Can we avoid that?

Mr. Davis: No, you cannot avoid it. I know we must take the word "relatively" and make the best of it, but suppose you split the first 20 miles into two sections of 10 miles each, if you maintain the first 20 miles as the gradation relatively would not matter to us, because it is what we are having to-day, but when we come to divide it up into two sections of 10 miles it appears to me that we may be prejudiced in the second 10 miles, for instance, unless you allow us when we come to argue on Section 34 to say that what you have said—

President: To argue as if it was still 20 miles.

Mr. Davis: Possibly: I do not know exactly how it would be put. We are not now making the application, but we shall consider it, and it will be put properly; I can only put it very vaguely. But I want that to be kept in mind, and I think if it were merely on the notes as an objection that would meet the point.

Mr. Jepson: I am not quite sure that the Court understands it. From my past experience I know very well the position of the Widnes and St. Helens traders. You have under the Rates and Charges Act, not mileage charges, but you have special actual consolidated rates of fixed amounts preserved to you as between Garston, Widnes and St. Helens and between the sidings in those places.

Mr. Davis: Yes, sooner or later—of course, I do not know what your application may be—an application has got to be made to this Tribunal to preserve that position, and to preserve your position relatively to the other people in the district.

Mr. Davis: Yes.

Mr. Jepson: Whether it is going to be done by doing away with your consolidated rate and putting you on a railway charge as distinct from these consolidated charges, which include dock dues and unloading your vessel, and all that sort of thing, I do not know; it would depend on the nature of your application; but of course it is a matter that you have got very seriously to consider as to how you put your application forward—whether you will still ask for something in the nature of a consolidated rate to take the place of the other consolidated rates but adjusted so as to put you approximately relatively in the same position as you were pre-war, or whether you would prefer to fall under the mileage clause.

Mr. Davis: Of course, we shall try to do the best for ourselves.

Mr. Jepson: I think the Court is seized of your position now, and you will be protected, of course.

Mr. Davis: What happens now is without prejudice to any point that we shall be able to raise under Section 34, and to reopen, as far as necessary, the mileage gradation if we find that we need to do it?

Mr. Jepson: I do not think you must assume that this position is reserved to you. Supposing in the wisdom of this Tribunal they did fix the gradations of distance, for instance, two 10 miles instead of 20 miles, and the first 10 miles was higher than what

an average of 20 miles would be, I do not think you must assume then that in dealing with your relative position the Tribunal has to go back to what the average of the 20 miles would be instead of taking your 10 miles.

Mr. Davis: I do not want it to be said: "We have decided that, and therefore it cannot be reopened." My own feeling about Section 34 is that anything we can establish under it you will be prepared to take into consideration because it is so directed by the section.

Mr. Jepson: I do not suggest you could not make an application for anything you like. All I meant by the remarks I have just made was, that you must not assume that if the Tribunal decide on two 10 miles instead of 20 miles that you are entitled to have your relative position considered on the basis of 20 miles.

Mr. Davis: I do not know what form the application will take, but our present position, relative to the other traders who use that section of line, is to be maintained under the new arrangements for the whole distance of 20 miles, and not for two sections of 10 miles. I do not want to argue what application will be put before you later on, but that is the sort of suggestion which may possibly be made.

Mr. Jepson: I quite follow. If you ask to be put in the same relative position as you were in pre-war with people who are competing with you in that district for traffic that travels 10 miles, you have to take the position as you find it when the decision has been given as for 10 miles.

President: Does the preserving of this gentleman's rights present any difficulty to you, Mr. Bruce Thomas?

Mr. Bailey: It is not only this gentleman; of course, it is my point also.

President: I have not overlooked you.

Mr. Bailey: May I put this. Of course, I am in the same position as my friend behind; it is the same railway. It is Messrs. Pilkington Brothers, of St. Helens, whose traffic I am connected with; his point is precisely mine, and his anxiety on the subject of relative rates is the same as mine.

President: I quite recognise that. What do you say, Mr. Bruce Thomas?

Mr. Bruce Thomas: You are not referring for the moment to the question that Mr. Jepson has just been raising, but generally as to whether this gentleman can be kept in a position that is not prejudiced by reason of these two questions of minimum mileage and mileage gradations having been decided.

President: Yes.

Mr. Bruce Thomas: At the moment I do not see my way to suggesting any more than this—I do not know that this helps them any more than the terms of the Act help them—that their right to put forward a claim for relief, if they have such a claim under Section 34, sub-section 2, is not prejudiced; the Act provides for that, and I do not see at the moment how their position is to be bettered by any particular proviso being added to the conclusion you come to upon these two questions. You will, I take it, have decided these questions finally and not provisionally, and if hereafter it turns out or should turn out that the fact that you have decided those questions may put some difficulty in the way of these gentlemen in presenting their claim under Section 34 (2), it is not suggested, and would not be suggested, that the whole of this Inquiry should be reopened and the question of minimum distance should be reconsidered.

President: No, I think that is quite clear, but what I understand both our friends on the other side to say is this: may we go back and consider our case as if, for the sake of argument, the mileage gradation was 20 still and not two tens.

Mr. Bruce Thomas: I do not think that is possible. Section 34 (2) first provides that you may make any adjustment, but there is a certain adjustment you shall make in certain cases, and that is, that you

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shall provide that the relative position between persons entitled to the charge and other persons as existing on the 4th August shall not be prejudiced or improved. If you have altered the position of other persons and introduced a different mileage scale, and instead of having the first jump of 20 you have two tens, all you have to do is to give these gentlemen, if you are bound to do it, or if they have a right to it, the same relative position as they occupied *vis-à-vis* these other people on the 4th August, 1914. The first thing you have to do, in order to find out what is the relative position, is to see what is the position of other persons to-day under the new arrangements made, and what was the relative position in 1914. That is what you have to preserve, starting from the standard that you have fixed in this year, and so it seems to me it is not possible for this gentleman to be allowed to go back under the impression that he may come here at a later stage and deal with his claim as if the first break was 20 and had not been altered to 10.

President: But if he could, as far as I gather from you, it would not do him service, because he would be setting up a wrong relative.

Mr. Bruce Thomas: Not the one that is provided by the Act.

Mr. Davis: May I say, I do not want to argue in any sense this Section 34; I quite agree with everything Mr. Bruce Thomas is saying. I do not want to enlarge it; I have not the power to enlarge it; but when I come with proper representation to argue the case under Section 34, it is quite open to me surely to say that in construing the word "relatively" you are bound, if it would affect previous conclusions, to reopen the matter. I do not say that you have; I only want to make my point now, so that when the time comes I cannot be told on the other side: "You are too late; you ought to have done it before." The words are: "The Tribunal shall," and I think I have got valuable consideration in my case.

President: Well, we assume that.

Mr. Davis: That is all I wish to say. I do not wish to argue the case under Section 34, and I think, so far as I heard Mr. Bruce Thomas, I agree with everything he said.

President: That your relativity is to be preserved.

Mr. Davis: Yes.

President: But that is only a relativity applied to the new conditions.

Mr. Davis: Yes.

President: That is roughly what you say?

Mr. Davis: Yes.

Mr. Bruce Thomas: If he was 10 per cent. better off in the past, and that has to be preserved, it is 10 per cent. better than the present state of affairs.

President: Quite; that is satisfactory to you?

Mr. Davis: Having mentioned my point, yes.

President: I do not think you could do better than leave it there. As you know, there is an official note being taken of all the proceedings.

Mr. Davis: I understand that, and I wanted it on the notes.

President: It is very important that you gentlemen should know that it is to be had.

Mr. Bailey: Upon this point, so far as the question of relativity goes we shall have to discuss it at some time. When you do, I suggest there is an element to be borne in mind as to which you have had evidence here, namely, that there are certain people who by means of the revision now proposed will benefit, and certain people who by means of it will not benefit; they will be worsened. Which of these are you going to take as the standard of relativity?

President: That is the point we have to deal with.

Mr. Bailey: Such questions as that will have to come up and may have to be argued before you. All we ask for now is for a proviso which will make the decision now given so provisional in character as that is open to us to say that you have not really decided it, so as to preclude our rights.

President: I do not think in what we have said, anything has precluded anyone's right. I think the gentleman who put it last, really put it very admirably—I am not saying that you have not put it extremely well, but what I gathered was that the sum and substance of it was that when you came to apply Section 34 this question of relativity ought to be preserved. There is a certain state of relativity existing to-day; you may be 10 per cent. or 15 per cent. better off than your neighbours. Notwithstanding what we do to-day in the way of altering possibly the mileage gradations, or something else, that relativity must be still preserved at—taking a percentage as an illustration—the 10 per cent. or 15 per cent. that existed before; is not that right?

Mr. Bailey: That is perfectly right.

President: Does not that satisfy you?

Mr. Bailey: No, that does not go far enough, because we do not want, by any decision you may give to-day fixing any altered minimum mileage or gradation of mileage, to make it higher; but that is on merits.

President: If you have a special mileage; is that your contention?

Mr. Bailey: No. You are now proposing to alter the 20 miles gradation, or the railway company are proposing to alter the 20 miles into two tens. The whole burden of the companies' story is that the first ten costs more than the second ten.

President: Yes.

Mr. Bailey: Therefore upon one-half of the 20 there will be in future a higher charge than there has been in the past; that automatically puts up the charges in respect of a certain number of traders. Why should the St. Helens charge also go up—

President: Because it has to be adjusted to the circumstances of the day.

Mr. Bailey: Then you cannot bring that in, because when you come to consider our Act of Parliament, as you will have to do later, in more detail you will see that there are no comparative stages such as that in our Act, and therefore you will be in great difficulty.

President: Whatever the result of the interpretation of the Act is you must be either relatively better off or worse off than your neighbour.

Mr. Bailey: You are quite right in your proposition; I accept that with alacrity.

President: Well, do you accept it with alacrity?

Mr. Bailey: I do. Relativity is the question that has to be determined, but if by a decision you have altered the position which prevailed in August, 1914—

President: We must adjust the relativity, must we not?

Mr. Bailey: But you have made it impossible; that is my point.

President: I hope not.

Mr. Bailey: I am afraid if your decision here is regarded, as Mr. Bruce Thomas says, as final, you have made relativity impossible by the fact that you have put some people up and other people down, and therefore you have destroyed the factors which operate to-day and in 1914.

President: But you have created new factors new factors which can be adjusted with the same relativity.

Mr. Bailey: If you think so, Sir.

President: I have not heard the whole of your admirable argument, but it will be on Section 34?

Mr. Bailey: Yes.

President: That is the kind of thing that is running in my mind about it. You would say that it would be without prejudice to the rights of any person under Section 34 (2) of the Railways Act of 1921.

Mr. Bailey: I have had an opportunity of seeing the skeleton form, and I would propose to add to that draft skeleton form these words: "Provided that this determination, so far as its operation may affect questions arising upon any applications to us in the case of any of the special statutory or agreed rates

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referred to in Section 34 of the Railways Act, 1921, shall be deemed to be provisional only."

President: No, we cannot do that.

Mr. Clements: You will not forget that I also have to submit to you a form.

President: Yes.

Mr. Clements: It will be ready this afternoon, but I gathered from the Registrar that there was no immediate hurry, otherwise I should have put it into your hands before. I should also like to say one word.

President: Had you finished, Mr. Bailey?

Mr. Bailey: All I was going to say was, I am intensely hopeful in the interests of my clients that the Tribunal may see its way to accept this very innocent proviso. All it proposes to do is to say that, in so far as the decisions which you have now given may be found to have prejudiced us, if on the

argument you are of opinion that it is so, then those decisions are not final *quod* us.

President: Your words went a great deal further, I think.

Mr. Bailey: I am quite prepared to have any modification which you may wish made to prevent their going further than I have represented in my remarks. I will hand this in as a suggestion.

Mr. Marlow Allen: On behalf of the Monmouthshire and South Wales Colliery Association, may I add a few words to the case that has been put for the Mining Association and the Traders' Co-ordinating Committee? It is not my intention to take up a great deal of time in arguing what would be the serious effect on the coal industry of South Wales by the adoption of a higher minimum than at present exists.

President: I think we will adjourn now and take your case, which seems somewhat lengthy, after lunch.

(Adjourned for a short time.)

Mr. Marlow Allen: I have a few figures here which will show the seriousness of any alteration in the minimum distance so far as Monmouthshire and South Wales are concerned. The figures are taken from the Ministry of Transport statistics for October, 1921, on coal other than shipment coal for the whole of Great Britain, and the total tonnage conveyed up to and including 4 miles is 710,608. On three railways in South Wales, the Great Western, the Taff Vale, and the Rhymney line, they were 134,723 representing over 18 per cent. of the total tonnage conveyed in Great Britain for distances of 4 miles and under. That is really just to show the seriousness to South Wales of any alteration in the present minimum distance. In our objection, which is really in keeping with the objection of the Mining Association, the most important part of it is, I think, the retention of the existing statutory minimum.

Mr. Bruce Thomas: May we clear up that one figure so that we may follow it? 134,723, I think you said, was the tonnage on the Great Western, the Taff Vale, and the Rhymney Railway?

Mr. Marlow Allen: Yes.

Mr. Bruce Thomas: Is that taking the whole of the Great Western system, or only the Great Western in South Wales?

Mr. Marlow Allen: It was for the month of October, 1921, before, apparently, the Great Western had taken over the subsidiary companies.

Mr. Bruce Thomas: But it is for the whole of the Great Western system and not South Wales alone?

Mr. Marlow Allen: Yes, that is so.

Mr. Bruce Thomas: It would embrace places where the 4-mile minimum does not apply.

Mr. Marlow Allen: It rather strengthens my point.

Mr. Bruce Thomas: Well, we only wanted the fact.

Mr. Marlow Allen: I think the matter has really been dealt with before with regard to the question of our rights under Section 34, but that is really the most important part of our objection—that the existing statutory minimum should be preserved and not be in any respect prejudiced by whatever is determined by the Tribunal at the present Inquiry. I should like to have the assurance from the Tribunal that the Monmouthshire and South Wales existing statutory rights shall be not in any way prejudiced.

Mr. Jepson: Are not the figures you are putting before the Tribunal rather misleading if you have taken all the Great Western traffic carried under 4 miles in support of your suggestions that the statutory distance of 4 miles should be preserved? Would not a lot of that traffic carried on the Great Western Railway, although it is carried under 4 miles, be subject to the present short distance clause of 6 miles?

Mr. Marlow Allen: Possibly so, but I should have thought that would rather have strengthened my case.

Mr. Jepson: Does it, because you are asking for a 4-mile statutory provision to be preserved, and in aid of that you say there are so many hundreds of thousands of tons on the Great Western Railway carried under 4 miles which you now say are subject to a 6 miles short distance clause, and possibly charged as for 6 miles.

Mr. Marlow Allen: No, they are charged up to 4 miles.

Mr. Jepson: You did not say that, and I do not think the Ministry of Transport statistics show what is charged as 4 miles; it is actually "Conveyance for 4 miles and under."

Mr. Marlow Allen: Yes, I think that is so; it is actually conveyed.

Mr. Jepson: So it does not strengthen your case; it very much weakens it, does it not?

Mr. Marlow Allen: Of course, it is difficult to get the Ministry of Transport statistics.

Mr. Jepson: If it is a fact that hundreds of thousands of tons on the Great Western Railway, although actually carried on the distance "4 miles and under," are subject to the present statutory short distance clause of 6 miles, and possibly charged as for 6 miles, that rather weakens than strengthens your case, does it not?

Mr. Marlow Allen: I quite see your point. They are mostly in South Wales, but it may include some tonnage outside of South Wales where there is a statutory provision of 6 miles.

Mr. Jepson: Yes; there may be a lot of short distance traffic in South Staffordshire on the Great Western, and also in the Forest of Dean, and other colliery districts, that the Great Western serve.

Mr. Marlow Allen: Yes. I should like to mention, although it may in a little way impair what I have to say, that there is to be taken into consideration the fact that the Ministry of Transport statistics do not include 6 smaller railways in South Wales where the mileage that the traffic is conveyed must of necessity be short.

Mr. Jepson: I quite agree, but so far as Monmouthshire and South Wales are concerned, as to the 4 miles short distance of course you understand, and I think it is generally understood now, that those may be the subject of applications under Section 34 at some time hereafter.

Mr. Marlow Allen: That is so, but what I want to be quite sure about is, that any decision given by the Tribunal on the question of minimum mileages shall not affect in any harmful way the proceedings under Section 34.

Mr. Jepson: Supposing the Tribunal fixed 6 miles as a general thing instead of the present 3, 4, and 6, do not you consider that you have sufficient protection under Section 34, that is, to ask for those to be preserved if you can show good cause for it?

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Mr. JOHN PIKE.

[Continued.]

Mr. Marlow Allen: I am hoping we shall have.
 Mr. Jepson: I want to carry it a step further now. Supposing you should make an application under Section 34, and this Tribunal should say: "Oh, no, there is no justification for preserving your statutory short distance of 4 miles," do you consider then you could claim that you could, under the exceptional rate clause, come to this Tribunal, if you could not agree with the railway companies, and ask for your exceptional rate, which was based on 4 miles, to be preserved?

Mr. Marlow Allen: I think we could, but the point is on the question of exceptional rates that we may have more difficulty in retaining our exceptional rates with a higher minimum distance clause than otherwise.

Mr. Jepson: At the present time you do not quite realise that your statutory 4 miles is an exception to the general 6 miles which is operative throughout the country.

Mr. Marlow Allen: Yes. The exception in the case of Great Britain throughout is really general in the case of South Wales. Having that assurance, it satisfies me in that respect. There is just one other point I should like to bring before the notice of the Committee, and that is the question of costs. Consideration does not appear to have been given to the fact that the volume of short distance traffic reduces the costs, and to a very large extent does away with the necessity for a short distance clause. In the case of South Wales you have large quantities of coal passing short distances; it passes in such volume that the costs are really relatively little greater than on the longer distances.

Mr. Jepson: Have you got in your mind now the quantity of shipment coal in South Wales?

Mr. Marlow Allen: Yes.

Mr. Jepson: Do you suggest that much of this coal which goes down to the ports in South Wales for shipment is subject to a 4 miles minimum?

Mr. Marlow Allen: I do not. I had in mind the works coal.

Mr. Jepson: I quite understand, of course between collieries and works, but as a rule the coal measures do not outcrop within 25 miles of the coast, do they?

Mr. Marlow Allen: No. I think on the question of volume reducing the cost the railway companies themselves appear to have appreciated this by the adoption of very low exceptional rates for the short distance, and I submit that that is really a point which should be taken into consideration when you are dealing with the minimum distances generally in South Wales. I think that is all I wanted to say.

Mr. Burdock: There is one short point I would like to put before you, and it is this: it appears to me that a flat increase in the mileage, like a flat increase in the rates, is always inequitable. There are bound to be exceptional circumstances. Those circumstances were taken into account when classification was made. Classes A, B, and C where charged lower rates because of their lower value, and I would suggest that all articles in classes previously A, B, and C might be taken on a 3-mile basis for one railway, and a 4-mile basis upon another, and all other class articles on the 4-mile basis for one line, and 6 for the other line. You will gather that the classes A, B and C contain coal in some neighbourhoods. In our neighbourhood they contain china clay. Those goods are only worth about 50s. a ton; therefore they cannot bear the same high increase as goods which are worth £50 to £100 per ton. We are told that our exports are going to be the salvation of the nation. Our only export in Devon and Cornwall is practically china clay, and this increase, which is supposed to be made here from 3 miles to 6 miles, is an increase of 250 per cent. on those low value goods. If you increase it from 3 to 9 miles, as is suggested by the railway companies, I make it out to be about 450 per cent. increase. Those goods of low value cannot possibly bear that high increase, and I would submit to you that those lower value goods

should be considered in relation to the alteration in the mileage.

Mr. Jepson: Does your china clay to any extent go for distances of only 3 miles or 4 miles?

Mr. Burdock: The two largest china clay mines are within 4 miles; one is 3 miles and the other 4 miles.

Mr. Jepson: From the port?

Mr. Burdock: Yes. The English China Clays Limited is about 4 miles away, and the other one is 3 miles away, and it is a case in point that I want to state to you, that we at present have to pay 104 miles for.

Mr. Jepson: Are you subject to the 6 miles short distance clause or 4½ to-day?

Mr. Burdock: We are 6 miles on one line and 4½ miles on the other.

Mr. Jepson: You get exceptional rates.

Mr. Burdock: We get no exceptional rates.

Mr. Jepson: You are not charged the full 6 miles?

Mr. Burdock: Yes.

Mr. Jepson: For a distance of 3?

Mr. Burdock: Yes.

Mr. Jepson: Who do you suggest should make up the loss of revenue if your proposal were carried out, and the 6 miles charge which you are paying to-day was reduced to a 3 miles charge? Somebody has got to find half the money that you pay to the railway company.

Mr. Burdock: I think that remedy will come when I bring up my case as suggested before the other Tribunal, that the two lines of railway should and must be worked by one company.

Mr. Clements: If that is the whole of the traders' observations, I was attempting before the adjournment to say a few words on the discussion that was then going on about Section 34. As you know, Sir, I represent a very large section of objectors who are very vitally interested in these matters, and I just want to deprecate the suggestions which I think were made; I fancy my friend Mr. Bruce Thomas began it. There seemed to be an assumption underlying the discussion that an adjustment would necessarily be made in every case, but that I do not think is quite so. The Act says: "Subject to such adjustment, if any, as to the Tribunal may appear of this with my colleagues that a great deal of the information is not at your disposal, but I wish you would kindly look over it."

Then I suggested a little time ago that the traders would be glad to make suggestions as to some way in which Mr. Pike's statistics might be amplified in the direction indicated on behalf of the traders. That is the suggestion that is made by the Iron and Steel Federation concerning which, if the Tribunal desired, a witness would speak. (Document handed to President.)

President: Mr. Pike, Mr. Clements has handed me this list, or rather a little table of information that he would like if it could be obtained. I followed your evidence, and we all did very closely this morning, and it seems to me on a first reading of this with my colleagues that a great deal of the information is not at your disposal, but I wish you would kindly look over it.

Mr. Pike: I have a copy here; it has just been handed to me. I think it would be possible to give some information under 6 and 7, but I am not quite sure. I think it would be possible, so far as the North Western is concerned, to give some information under 6 and 7, but it would not be possible with any records that we have to-day to answer the other five points.

President: To what extent do the matters asked for under 6 and 7 come under your knowledge up to the present time, and to what extent do you think they would be useful to the Tribunal in coming to a decision?

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Mr. JOHN PIKE.

[Continued.]

Mr. Pike: I have not got the figures under 6 or 7 at all in my mind; I have not seen them; but I think from the way in which the records are kept it would be possible to get out that information, at any rate so far as the North Western is concerned. But what purposes they are going to be put to when they are obtained I really do not see. I do not see how it is going to help the Tribunal in coming to a decision, but if you wish to have them I will do my best to get them.

President: No. 6 is: "To what extent the traffic on short distance trains was coal, other minerals, or merchandise." Your opinion about that is, that some statistics might possibly be obtained, but if they were obtained you are doubtful how far they would be of use to the Tribunal?

Mr. Pike: Quite; I do not see what is the object of getting it.

Mr. Clements: If you will allow it, Mr. Barnard, of the Iron and Steel Federation, can state his reasons for putting forward the suggestions.

President: No. 7 is: "To what extent the traffic on long distance trains was coal, other minerals, or merchandise."

Mr. Pike: That is the same thing, Sir.

Mr. Jepson: Supposing the information could be got, would it be of any use to you unless the figures included in Mr. Pike's statement were equally split up to show how many wagon miles per engine hour were worked in respect of coal other than minerals and merchandise respectively? Surely it is no use if you had it simply as an aggregate figure?

Mr. Clements: Perhaps you would allow Mr. Barnard to answer that question.

Mr. Barnard: I think that would be most useful, but I understood from Mr. Pike that it was impossible to obtain.

Mr. Jepson: That is what I thought. If it is impossible to obtain, what use would the aggregate figure be to you? Supposing you knew that out of these hundreds of thousands of wagon miles per engine hour half was coal, 25 per cent. other minerals, and 25 per cent. merchandise, how would it enable you to use the figure that Mr. Pike has put in?

Mr. Barnard: The purpose I had in mind was to see to what extent these examples applied generally. It would seem at first glance—we have not had a chance of examining this—that the North Western, the South Staffordshire, and the Manchester district cases are all coal, and therefore any statistics derived from this would not be applicable in the case of other minerals or merchandise, where the circumstances might be entirely different.

Mr. Jepson: Are you right in your conclusion, that the instances on the North Western are mainly coal?

Mr. Barnard: That is why I asked this question—in order that we might see.

Mr. Jepson: I should have thought that from my knowledge, and Mr. Pike will correct me if I am wrong, as far as the Tyldesley and Springs Branch is concerned, that is one section that would be mainly coal, but I should think between Edgeley and London Road Junctions it would not be mainly coal, and I should think on the Nuneaton and Stafford section it would not be mainly coal.

Mr. Barnard: That would be brought out, if we could secure this information—that the short distance quotations here were more particularly in respect of coal and the long distance quotations more particularly in respect of merchandise. The rest of the information was to bring out the point that was discussed by Mr. Bradley, that probably the train from Edgeley to London Road would not be a train particularly arranged between those two points, but would be a train coming from some distance beyond, just passing through that portion of the line and having on it all sorts of traffic, long distance and short. Really, instead of this being a table to show the cost of short distance traffic it is an attempt to show the cost of a short distance train, irrespective of the traffic it carries. I think

personally that this information, if supplied, would go a long way towards meeting the traders' points, not only in connection with the minimum distance, but also in the consideration of the next item, gradations, and we think it is most vital. I do not think I am alone in this submission. I think it has the backing of the traders generally. Of course, if you wanted some more information as to why I put the seven points, I would be quite prepared to quote them and suggest where I think they might be found.

Mr. Pike: I do not know whether the idea is that I can give this to-day, or tomorrow, or the next day. It is going to take a little time to get even this latter information.

Mr. Barnard: I particularly want it more in connection with the decision to be arrived at at a later date on gradations. I do not press it so much on the question of the minimum distance, which you are probably now going to decide, but there will probably be a day's delay anyhow in discussing the question of gradations. We do submit that the question of gradations is so serious that it should be delayed until such time as we have had an opportunity of examining these figures which Mr. Pike has produced, which we think are the only figures he has produced in support of any increase on the short distance traffic. It is the crux of the matter, and we should like to see how they arrive at the figures they have produced. It seems to me on the face of it, if the average is 260, and they have taken 100 in one case and 500 and something in the other case, they have rather taken the extremes, and we would like to see to what extent those extremes are representative of what we understand as traders as short distance traffic, apart from what a train is doing in a particular section.

Mr. Jepson: Do you assume that those figures that Mr. Pike has put in, which were relating mainly to short distance traffic to show the costs of dealing with that short distance traffic as compared with long distance traffic, are the only figures that the railway companies are going to present in regard to their proposals as to splitting up the gradations? So far as I know, we have not heard the railway companies' case about the proposals to alter from 20 to two 10 miles.

Mr. Barnard: That is true, but one has to bear in mind that Mr. Pike has suggested or agreed with Mr. Lockett—I cannot quite remember—that short distance traffic under the first item is related to the first 10 miles under the second item.

Mr. Jepson: Of course.

Mr. Barnard: We were under the impression that to a certain extent, seeing that Mr. Pike has no definite information as to cost, but only bases it on wagon miles per engine hour, that this would be a relevant document in connection with the next item.

Mr. Pike: That is quite right. I was going to rely on these figures of mileage gradations as well as in respect of minimum distance.

Mr. Abady: I was about to say, in order to try and assist the Tribunal, and it might help them on the suggestion that has been made and also the difficulty in which the railway companies are placed, if I draw attention to the fact that the Railway Clearing House were addressed by the Co-ordinating Committee on the 20th February as follows—I mentioned the matter shortly yesterday: "I am instructed by my Committee to refer to the Rates Advisory Committee Report on General Revision of Railway Rates and Charges, 1920, Command 1095, page 36, line 4, where it is stated that the railway companies will meantime have got out figures as to the relative cost of long and short hauls"—that is the passage I read to you this morning—"and to ask whether these figures can be made available before the hearing of the objections before the Railway Rates Tribunal on Wednesday, the 28th instant." The reply received was dated the 22nd February, signed by Mr. Price, or on his behalf: "With reference to your letter of the 20th instant, I have been in communication with the railway companies in regard to the respective

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[Continued.]

costs of long and short hauls, but I am informed that they are not in a position to supply the figures you require," and of course, you remember the submission I made to you.

President: Oh yes.

Mr. Pike: As I tried to explain this morning, we have done our best to try and get the figures of cost and we have failed.

Mr. Barnard: I am not dealing with the figures of cost here; I am dealing with the disintegration of the wagon miles into various traffics.

President: I notice that. Mr. Pike, we are going to hand this list to you, and ask you to do the best you can under 6 and 7 within the limited time at our disposal. When I talk about limited time, I hope we shall within a reasonable period both in the interests of the traders and the railway settle both the questions of minimum distance and graduation, and therefore I hope you will get to work as hard as you can upon it, or rather that your subordinates will, to see the best you can do. What limited time do you think would be necessary?

Mr. Pike: The difficulty is, that we have not all this information at Enston; I have to get it from different parts of the country.

President: Of course you have.

Mr. Pike: And I have to explain to them very carefully what is wanted or I shall not get it. I think probably I could give Dudley and Walsall, Solihull and Bishnopy, Nuneaton and Stafford, and Stafford and Crewe, by Monday, but the others, Tebay and Carlisle, Kilnrow and Dean Lane, Edgeley and London Road, and Tyldesley and Springs Branch, I am afraid I could not guarantee by Monday; perhaps if we got the other four it might help.

Mr. Abady: By what date did you say?

Mr. Pike: By Monday.

Mr. Bruce Thomas: I think Mr. Pike suggested that if he got out what he thought he could get by Monday that would be sufficient.

President: That would be something, and you will make an effort to get them in other directions as well.

Mr. Barnard: With respect, may I put one more question, and that is, I would plead that we have the information on questions 1 and 2, the point of origin of train and its destination, which I would suggest is available. These trains are controlled from one section to another, and therefore the control office must know the point of origin and the point of destination of each train, and knowing that it is obvious they have the distance travelled by the train and the total journey.

Mr. Pike: We have not that information; it could only be obtained by having a special return for some future period. We have no records available on 1, or 2.

President: Were you going to address us on the short distance point, and then go on to the mileage graduations, Mr. Bruce Thomas?

Mr. Bruce Thomas: I wanted to say a few words about the short distance at some time; do you think this would be a convenient time?

President: Quite. I want the attention of the objectors directed to the fact that Mr. Bruce Thomas is going to reply. Does any objector wish to say anything before Mr. Bruce Thomas starts on his reply? I do not want to encourage repetition. If anybody has not spoken yet and thinks he has got something on his mind that he would like to say, now is the time for him to say it. (A pause.) Very well, I think that answers the question. Now, Mr. Bruce Thomas, will you begin; we cannot have anybody cropping up after this.

Mr. Bruce Thomas: I only propose to occupy your time for a very short while with some observations on these two proposals with regard to the minimum distance that the railway companies have put forward on the first page. The first proposal is that a charge may be made as for 6 miles when traffic passes upon the railway of one company only. What I wish to draw attention to there is, that in fact we are really seeking to make no change from what is the state of

affairs to-day. Mr. Abady was invited to produce evidence that anybody would be prejudiced by this proposal. Mr. Clements was asked whether it was not the fact that the bulk of the traffic was subject to a 6-mile minimum to-day, and his answer was—

"Subject to 6 miles undoubtedly." I am, of course, omitting all exceptions and taking the traffic all over the country, which comes under the general provision of the Rates and Charges Orders, the 6, 4½, and 3 miles. As a matter of fact, to-day the bulk of the traffic which has to pay the minimum charge is liable to pay a minimum as for 6 miles, but I do not say it pays it. There are innumerable exceptional rates and the minimum charge is not enforced. Therefore, we have this fact outstanding here, that nobody has suggested that there is going to be any substantial prejudice upon the railway companies' proposal No. 1. That, I submit, is clear from the evidence, or rather the want of evidence that there has been here. This point was specifically put to my friend Mr. Abady by the President, and he was invited to produce evidence by anybody who said he was going to be prejudiced.

Mr. Abady: I thought that was with reference to the transfer of traffic by the two railways.

Mr. Bruce Thomas: No, not the two-pence-halfpenny question; I am going to deal with that later; it is with regard to the 6-mile minimum. What are the figures that have been given by Mr. Pike? He told us that out of 500,000 tons all but 6,500 passes from siding to siding or from siding to junction.

Mr. Lockett: In one week, was it not?

Mr. Bruce Thomas: Yes, in one week. That means, again leaving out of the question as I do in all my remarks the question of exceptions, that practically the whole of the traffic if it is subject to a minimum is subject to the 6-mile minimum to-day. And that supports the admission that I think has been made by both my friends that there is no prejudice to be found in the first proposal that the railway companies make to-day as compared with the present state of affairs. I go one step further and I say that the railway companies, when you come to examine it when they ask for a minimum charge to be made as for 6 miles when the transit is only on the line of one railway company—when you come to examine that and to see what Parliament has done in the Railways Act of this year, they are not in fact making any change in the existing state of affairs. At present, under Section 11 of the Rates and Charges Orders the railway companies are authorised to charge 3 miles when there are two terminals, 4 miles when there is one terminal, and 6 miles when there is no terminal. It is now appreciated that the question as to whether terminals are or are not payable is quite irrelevant in considering this question of a minimum charge. And Parliament has laid it down clearly in Section 48 of the Railways Act that such minimum distances shall not vary according to whether charges for station terminals are or are not to be made. That being laid down, look at Section 11 of the Rates and Charges Orders which lays down the 6, 4½, and 3. If it is improper, as I suggest Parliament has said, to consider the question of terminals when you are arriving at what the minimum charge should be, then it is right to say that the existing law applying what has been since laid down by Parliament, and what I have said does not seem until recently to have been thoroughly appreciated, the minimum to-day is 6 miles. I do not know whether I make clear the point I wish to bring home?

President: You say it was reduced according to the scale of terminals. Terminals have nothing to do with it; therefore all is 6. That is your argument?

Mr. Bruce Thomas: Yes; that is the point I am trying to make. Therefore I say we really do not ask for any alteration of the existing state of affairs from that point of view. And from the other point of view, I say that nobody is prejudiced by it; that all these people who are objecting to it are to-day—or substantially the whole of them, leaving out the exceptions—subject to the 6-mile minimum because their traffic is siding to siding. Of course, this

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[Continued.]

Court has to decide whether 6 miles is a proper minimum when the traffic passes over one railway. The 6 miles has been in existence for I do not know how many years. It has certainly been in existence since 1881, and *prima facie* it is a reasonable minimum; and I think the railway companies are entitled to rely upon that fact. It has always been admitted that there must be a minimum charge. The minimum charge for traffic from siding to siding has for all these years—and for all I know for many years before 1891—been 6 miles at least. There were some, I believe, before 1891 more than 6, and some less than 6.

Mr. Clements: A great many of them less than 6.

Mr. Bruce Thomas: And a great many of them were preserved. But the 6 miles as a piece of the general law of the country has been in existence for a great number of years, and I submit that *prima facie* it is a reasonable minimum. A good deal has been said about cost and figures, and complaints have been made that the railway companies have not produced figures showing the cost of dealing with short distance traffic. I am not quite sure whether it is short distance; perhaps I had better say minimum distance traffic. We have not. We say it cannot be done. We have attempted to do it and we have not met with any success. But what we have done is that we have produced figures which Mr. Pike has told this Court are in his view, and in the view of the railway companies, the best test you can apply to what is the cost of short distance or minimum distance traffic as compared with long distance traffic; and we submit that the almost irresistible inference to be drawn from those figures which show that on sections of the line where there is mostly short distance traffic, on those sections of the line you find that your cost for engine power is, I think, five times greater than on those sections of the line where mainly long distance traffic was dealt with. I do not wish to say any more upon the 6 miles except to draw attention to this fact, that the Manchester Chamber of Commerce agree that the minimum should be 6 miles, their objection being to the 9 miles. The gentleman here has stated—I do not whether it is in the written document—that, “We propose that where the conveyance is upon the railway of one or more companies the minimum charge for the entire distance to be as for 6 miles.”

President: That takes the place of your 9?

Mr. Bruce Thomas: Yes. Nevertheless, I say they agree that 6 is the proper minimum unless there is any differentiation in principle between traffic which is dealt with on one railway only and traffic which is dealt with on two railways but which is exchanged. I am now going to submit that there is no difference whatever, and that the proposal of the railway companies that in place of the existing law, under which the minimum charge may be as for 12 miles, or, possibly, in an extreme case, as for 18 miles, we are substituting 9 miles; and in every case where there is an exchange the trader will be in a better position under the proposed proposals of the railway companies than under the existing law. There is no case in which he would be worse off. It seems to me that in every case he will be better off. My friend, Mr. Abady, stated that this second question was a small matter.

Mr. Abady: Financially?

Mr. Bruce Thomas: Yes, that there was no money in it; but that he objected to the principle. He said the principle was important. He referred to it, I think, as a “twopenny-halfpenny question,” and no one would be hurt by it; but apparently he wishes to maintain the principle of it.

President: The principle of continuous mileage, I understood him.

Mr. Bruce Thomas: Yes, that is so; that it should be applied to a minimum distance. Why should it be applied when you are considering a minimum charge? Why is a minimum charge, which on all hands is admitted to be a proper charge to be made, cease to be a proper charge because the traffic passes over two railways when there is an exchange? The reason why a minimum charge is authorised is that

you have the same services at the end of a short journey as you have at the commencement of a long journey, and the same services at the other end; and you have to bring the wagons back, and so forth, and all those matters to which my friend Mr. Abady referred this morning when he was reading the report of the Rates Advisory Committee. I think they are all set out on page 35, so I need not go into them. Now, when you get railway A carrying for 4 miles to a Junction and there it has to be exchanged to railway B, and railway B carries it for 4 miles, in principle if railway A is entitled to a short distance charge for hauling to the junction, why is not railway B entitled? Has it not the same excessive expenditure upon that short journey compared with longer journeys as railway A has, and why should not it be paid for it? If it costs railway B substantially more to deal with that traffic which is only going to pass 4 miles, why should not they be paid for it in principle—and it is the principle of the thing for which Mr. Abady has been arguing. I entirely fail to understand on what ground it is suggested that the second company which has to pick up this traffic out of some siding into which it is put by the company that has brought it to the junction, and has to perform all the various services before the transit actually commences but which are incidental to conveyance, and which at the other end has to perform all the services which have to be performed subsequent to the transit ending but which still are incidental to conveyance—why it should not be paid for those services. I submit that in principle where there is an exchange it is proper that there should be two short distance charges, and that is the position under the present state of the law. But the railway companies do not ask for that. They say, “No; we will go as far as we can here and meet the traders as far as possible. We will never ask for two short distance charges. When one has already paid, in no circumstances will we ask for more than one-half the short distance charge.” That is our proposal, and I suggest that it is a fair and highly reasonable one.

There is only one other point I wish to bring out. It is rather upon the first point upon which I touched—the question of the reasonableness of the 6 miles. This must be borne in mind, and I think it is an important factor: where you get wagons included in the rate it is very important to consider the time that the trader has that wagon at his disposal; and although the transit, or the journey, may be only a few miles he has at either end, and this is included in the conveyance rate, the right to use that wagon for the same time that he would have if the journey were 200 miles.

Mr. Abady: It is not in Class A.

Mr. Bruce Thomas: I said in cases where the rate includes the wagons.

Mr. Abady: The point is that in the bulk of these cases it does not.

Mr. Bruce Thomas: Another point to be borne in mind is that on the North Eastern it does, and in Scotland. However, I think I was careful, when I was stating my proposition, to limit it to cases where the wagon was included in the rate. They have that wagon at their disposal for one day, I think, in order to load; and after it has been delivered I believe with regard to general merchandise they have it at their disposal for two days, and with regard to coal it may be longer.

Mr. Ridley Warham: No.

Mr. Bruce Thomas: But it is sufficient for me to instance general merchandise. That is an important factor when you are considering the increased cost of dealing with short distance traffic. Whether it is 3 miles or 4 miles or 6 miles, they have the wagon at their disposal at either end of the journey for as many days as if it were a very much longer transit. I do not think that I can assist you if I take up more of your time, Sir. I submit that the proposals which the railway companies have made are fair and reasonable proposals and should be approved by this Court.

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MR. JOHN PIKE.

[Continued.]

MILEAGE GRADATIONS.

President: It was suggested that we should deal with mileage gradations before we came to a decision. Are you prepared to proceed with mileage gradations now?

Mr. Bruce Thomas: That is a matter, I am glad to say, with which Mr. Pike is going to deal. I really came here to deal with the questions of minimum distances and wagon hire; but I think it would be more convenient if you went on to deal with mileage gradation. I was spoken to by some of the gentlemen in this room who are interested, and I understand there are quite a number of people who are interested in mileage gradations, and if that could be dealt with I understand they will go away and not return.

Mr. Abady: I do not know whether it was agreed that the decision should be deferred. You were rather of the opinion that it would be advantageous generally if you came to a decision before we proceeded with the next matter.

President: Some gentleman asked me to suspend the decision.

Mr. Abady: I do not think he spoke with the authority of the general body of objectors. But we are of course if your hands, Sir.

President: We came to a decision to proceed with mileage gradations, and we propose to proceed with mileage gradations now if Mr. Pike is ready.

Mr. Bruce Thomas: Might I ask whether it would be convenient for Mr. Pike to address you from where he is or whether it would be more convenient for him to go into the witness box. He is not really a witness, but he does not seek to avoid cross-examination if that is necessary, or to avoid having to answer questions.

President: What would be your feeling in the matter, Mr. Pike? In which position can you best do justice to the case?

Mr. Pike: I do not mind at all. I am in your hands.

President: Then begin from where you are, and ascend gradually if necessary.

Mr. Pike: I have not very much to say in explaining what the companies' proposals are in regard to mileage gradation. I might, perhaps, refer to the Report of the Rates Advisory Committee (Cmd. 1093) with regard to these. After summarising what the existing position is and pointing out that there are two main divisions, and quite big divisions—that is to say, that, generally speaking, for that part of Great Britain which is not embraced by the North Eastern and Scottish Railways—the gradation started for any part of the first 20 miles; but for the North Eastern Railway, for the whole of the Scottish Railways, and for certain other railways in England—including in the case of the company with which I am connected, the North Staffordshire Railway and the Furness Railway—the first division was one of 10 miles; that is to say, the first 20 miles was split up into two divisions instead of being one division. We have then that diversity of practice; and in view of the new state of affairs that was being contemplated, the Rates Advisory Committee, after considering the whole thing, said, "We are of opinion that the English and Scottish practice can best be brought together by the following scales of distances for all classes of goods;" and then they divide the first 20 miles into two sets of 10 miles each. At the end of the Report where they summarise their conclusions, they put it even more definitely as a recommendation rather than merely an expression of opinion. In their proposals the railway companies have adopted the mileage gradations recommended by the Rates Advisory Committee; and they feel that they are the right gradations to adopt, partly on account of the extra working cost—on which I must rely on the tables I have already put in—and also on the ground that in distributing the new charges over the traffic which has to produce the revenue, they should as far as practicable be distributed relatively to the cost.

in relation to the cost, of working the various descriptions of traffic. That is a principle which seems to be embodied in the Railways Act not only in respect of these things but also in respect to other ancillary businesses which have to be taken into account in arriving at the standard revenue. It being, I suggest, abundantly proved by the figures which have been put in that the cost of working short distance traffic is relatively considerably greater than that of working long distance traffic, we consider that amply justified in fairness to the companies, and as being a better and fairer method of adjusting the charge between the traders according to the cost than the adoption of a break of so long a distance as 20 miles. I think that is all I need say at this moment.

President: Do you wish to cross-examine Mr. Pike, Mr. Abady?

Mr. Abady: No, I do not think so. I think it is a matter of argument. I understand Mr. Pike to say that the 20 miles for the first compartment of the scale is applicable to all the railways except the North Eastern, the Scottish Railways, the North Staffordshire Railway, and the Furness Railway, and for those railways the 20 miles is divided into two 10 miles. I do not think that is accurate, though I speak with great hesitancy when I cross swords with a railway official; but I understood the matter we are considering now was the mileage gradations to be applied to merchandise except coal, coke and patent fuel. I would venture to suggest that the real facts show that there is not a single scale on any railway—including the North Eastern, the Scottish, the North Staffordshire and the Furness Railways—which for general merchandise is for other than 20 miles for classes 1 to 5. I know perfectly well that traffic other than coal, coke and patent fuel is contained in classes A, B, and C; but the class of traffic that is contained in those classes is more similar in nature—bulk, roughness, and so on—to coal than it is to general merchandise. If you are going to follow existing practice, or to be guided by what is existing practice, I might, perhaps, give you one or two figures taken from the Railway Year Book so as to show the exact mileage with respect to which of the lower gradations of the scale is 20 miles and that which is 10. The total mileage altogether is 23,734; and the Scottish, North Stafford, and North Eastern, is 5,805 miles. So that if you deduct the one from the other you get a very large proportion which has 20 miles for all purposes, and 5,805 miles which has got 20 miles for classes 1, 2, 3, 4, and 5, and 10 miles for A, B, and C traffic. I know perfectly well that this subject is closely allied in a sense with the short distance point we have considered; in this sense, that the factors which would go to justify an increase in the short distance clause, if it were sought to do that, would be factors which would have some sort of application to the shorter part of the scale; and if you accept Mr. Bruce Thomas's contention that the true reading of Section 11 of the Rates and Charges Order is that the present short distance scale is as for 6 miles, and because it is the present scale it should be accepted and continued, I would suggest that the same argument applies to the scale as it is now; that if it is true that the usual scale is the scale for 20 miles, the expedient thing is to continue it as it is. What applies to the one seems to apply to the other. I know perfectly well that I have on this part of the case to meet the Report of the Rates Advisory Committee. I have been praying it in aid when it was in my favour, and I have to explain it away when it is not. What I suggest is that the Report itself was more or less of a tentative nature; because the words that were used by the Report were that meanwhile the railway companies will furnish the cost of the long hauls and the short hauls. Further than that, I submit that since that Report was written there has been encountered by the railway companies the loss, particularly with respect to short distance traffic, to which I referred

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[Continued.]

this morning. I do not think it is necessary for me to repeat what I said with respect to that; how desirable it is that the railway companies should not be put in any position which would prejudice them in trying to recover some of that short distance traffic which has been lost, or which would indirectly put a greater burden upon the short distance traffic which has to keep on the railway. It might have been questioned—I think it was when I was speaking this morning—whether I was correctly using the portion of evidence I ventured to quote, applying it to the minimum distance; that it was more strictly applicable to the short distance. May I remind you of the passage—there are only two or three questions—and I think you will have that aspect of the question before you; what the actual effect has been; and I suggest that the effect has arisen mainly since the 1920 Report was written.

President: What the actual effect has been on what?

Mr. Abady: In the short distance traffic leaving the railway and going on the road; the motor competition has become more urgent of later years. The evidence is that given by Mr. Marriott on 24th May before the Select Committee beginning at Question 2,717. (*Extract read.*) Then you will no doubt recollect an earlier discussion when Mr. Thomas was giving evidence from the Manchester district, and the way he described how cotton had left the railway for nearly all distances under 20 miles and went on to the roads in the various progresses from the docks, onwards. I suggest that that is very good evidence from the railway point of view, that anything which tends to make the first portion of the journey dearer is to the disadvantage of the railway and to the disadvantage of the trader, in the two ways I have suggested.

President: He said the short distance was the best paying traffic?

Mr. Abady: He said, "Short distance and best paid." That was explained by a later question; that it was 1 to 5, or probably 2 to 5, generally speaking. I think he was talking about best paying traffic in the sense of the Classification.

Mr. Lockett: Not because it was short distance traffic.

Mr. Abady: No, I do not suggest that.

Mr. Jepson: I suppose for the great bulk of that of which Mr. Marriott is speaking, such as cotton, and so on, in the Lancashire districts, which no doubt he had in his mind, it would be carried at exceptional rates below the class rate; and, therefore, the argument you attach to it would not come in at all, would it?

Mr. Abady: Not so far as it was exceptional rates. Of course, there is always that answer to everything, Mr. Jepson, if I may say so; and with regard to a lot of the people whom I represent here, who are all focused in the Co-ordinating Committee, I do not say that a great deal of their traffic does not pass at exceptional rates.

Mr. Jepson: It is the sort of traffic which you would expect would pass at exceptional rates. We have been told that 75 per cent. of the merchandise traffic of the country passes at exceptional rates. A good deal of the heavy traffic which moves about Lancashire is passing at exceptional rates.

Mr. Abady: I should say that a very large percentage of traffic of any kind is passing at exceptional rates. But may I be allowed to say that we are either dealing with something which has a practical bearing on railways, or we are not. It is always open to a person to say, "You are not affected because you have an exceptional rate and come under Section 36." But the tendency is exactly the same, is it not, as the tendency to make an increased short distance charge if an increased short distance charge is in fact attempted to be made? That is a matter of fact for you to determine. But if it is, that is one way in which the shorter part of the journey will be loaded; while another way

would be, if you are going to divide it into two 10's, if you do that it follows that the quantum of the first 10 must be greater than the second 10.

There is one particular point I am asked to mention. It is, as I understand it, a fact that a great number of our manufacturing centres—importing and exporting centres, shall I say?—are within 10 miles of ports; and at the present time if they do not get exceptional rates they come under the 20-mile portion of the scale. If the scale is divided into two 10-mile parts, they will come under the part of the scale which must of necessity be higher than the second 10-mile portion of the scale. In that way it may well be, in the absence of the continuance or establishment of exceptional rates, that the export trade will be embarrassed with respect to exported manufactures, while the importers will be similarly embarrassed with respect to the import of raw materials from overseas. That, of course, would apply up to 19 miles. Then, if you recollect the passage from Mr. Wedgwood's evidence, given on December 1st, 1920, to which I drew attention, his evidence rather seemed to be leaving the existing bases as they are as far as possible, so as to make it easier to adjust the new standards to the existing conditions without introducing differentials when they are unnecessary. I think that is a fair paraphrase of what he was saying. As I put it to you, will not it cause rather a difficulty with respect to exceptional rates; because it is obvious that exceptional rates cannot be dealt with individually; they will have to be continued *en bloc*, or dealt with *en bloc*, in relation to the relationship they will bear to the existing class rates or to the new rates. If you introduce a different factor as to what the new class rate is based upon, the division of the mileage scale, it seems that you are introducing a difficulty which does not appear to help the evaluation of the exceptional rate in the terms of the new rate.

Mr. Jepson: Does not it only affect exceptional rates in this way, that it might, if there were 20 miles instead of one initial distance of 20 miles, the percentage which the exceptional rate may be below the new rate—that is the only effect it has? It does not affect the exceptional rate at all, does it, so far as whether the standard rates start with the first 10 miles or the second 10 miles and then 30 miles?

Mr. Abady: Supposing the 20 miles remains. Look at the scale of Mr. Marriott on page 140, the proceedings of the 19th October. Take Class 1. Supposing the rate were 2.25d. per ton per mile. If the 20 miles is kept, the new scales, which will be 1, 2, 3, 4, and 5 divided into parts, finer divisions, could be expressed as a percentage, with out multiplying the number of miles between two points and seeing what the result is. But supposing you introduce two 10's instead of 20, you have another factor, and you must perforce take into consideration the distance over which the exceptional traffic passes before you can get a comparison. I think that is correct. There is another point of comment. Supposing there is a difference in the cost, and I will freely admit there is a difference between the cost of a short haul and of a long haul, although, as I have pointed out, necessarily there must be, we have asked for details, it has been excepted by the Rates Advisory Committee, and we do not think it is fair that a decision should be given before the details are available. But I want to call your attention to whether the existing difference ought not to be sufficient to account for the difference in cost. I do not think it has been suggested that the relative difference in cost between a long haul and a short haul has been altered relatively between pre-war times and now. We admit that all costs have gone up, and we admit that it is more costly to work one ton of shorter distance traffic. But if you take the first figure in Mr. Marriott's table, Caledonian Railway, Class 1, if you send that 20 miles it would be 2.25d.; then for the next 30 miles it is reduced to 1.85d.; the next 50 miles, 1.4d.; and the remainder of the distance, 1d.

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[Continued.]

Mr. Jepson: Your suggestion there is that in fixing those maximum charges the Legislature had to some extent given effect to what has been put before us by the railway companies to-day—the increased cost of dealing with short distance traffic as compared with longer distance traffic?

(The Tribunal conferred.)

Mr. Locket: I would like to ask Mr. Pike a question. I am very anxious indeed to know what degree of importance the railway companies attach to this division of the first step in the mileage gradations. I will tell you what is in my mind. It seems to me that it is a question for the traders rather than for the railway companies; and if, after putting their heads together, they have come to the conclusion that it would suit their purpose better to have the first step in the gradation 20 miles, they have to provide that amount of revenue for the railway companies, and it does not much matter to the railway companies how it is done, does it?

Mr. Pike: I think you will probably find as matters progress that the traders are not agreed upon that. I do not think that the traders who at present have 10-mile divisions—in Scotland and on the North Eastern—are quite happy about giving them up, from what I have gathered.

Mr. Locket: I see. I thought the matter had been fully discussed by the Co-ordinating Committee, and that this was coming forward as an agreed opposition.

Mr. Abady: I think, with respect, that you ought to take the question of agreement from me as I am endeavouring to represent the traders. There may be isolated cases—there always are majorities and minorities—but, as I am instructed, the vast bulk of the opinion—practically the unanimous opinion—of the traders is in favour of the retention of 20 miles.

Mr. Locket: Perhaps you could tell us how the matter stands.

Mr. Pike: It is not only the retention of the 20 miles, but the extension of the 20 miles to places where it is now 2 10's—which is rather a different proposition.

Mr. Abady: On that, I think there is a very good reply, and I imagine quite a strong case for the railways companies. If there are many districts which for particular reasons may have prompted the 10 and 10 scale *ab initio*, if there are any special reasons why they should be continued, there is nothing in the Railway Acts to make the scales put forward for every part of the country uniform. That particular district can put forward another scale. It has never been suggested otherwise. I myself think on the railway company making a good case that there are special circumstances, it would be a very difficult case to resist. But even if it were so, even if every man jack in these 5,800 miles were in favour of it as against that of the 17,000 or 18,000 against it—but Mr. Pike is not justified in saying that it goes as a matter of course that the Scottish, North Eastern, and North Staffordshire want the retention of the 10 miles. I am instructed it is not so.

Mr. Jepson: As far as the North Eastern were concerned, those that are subject to the 10 miles now—those sending traffic the first 10 miles would probably benefit. If it were spread over the whole of the 20 miles probably it would be a lower charge than for the present.

Mr. Abady: That is so.

Mr. Jepson: So it would only be the Scottish and the North Eastern people, who are charged between 10 and 20 miles, who would be hit by being put up?

Mr. Abady: Yes. But there is nothing to make any section of the railway companies have the same scale throughout. It was considered at the Rates Advisory Committee. This proposition is apparently put forward on behalf of all the railways; it is their act, not ours.

Mr. Jepson: What do you say to this: Supposing this Tribunal were to fix all round in the first group for 20 miles. Do you think then that the people

Mr. Abady: The greater cost, I would say.

Mr. Jepson: Yes, the greater cost.

Mr. Abady: Yes, and you will find it right down the table. The question you have to consider before you make an alteration—

who have been subject to two 10 mile groups to start off with would have any right to come under Section 34 of the Act and claim that as between 10 and 20 they have been put up and should not have been put up?

Mr. Abady: I should like to consider that. It is a rather difficult question to answer. I think a good deal will come under Section 34; and certainly a good deal will come under Section 33.

Mr. Jepson: Yes.

Mr. Pike: I am afraid I did not answer Mr. Locket's question. The railway companies do attach considerable importance to this; because they feel it is the fairest thing to do in their own interest, and the fairest thing to do in the interests of the traders. As regards Mr. Abady's suggestion that there might be differences between companies, I am afraid that cuts at one of the things on which the traders were most insistent—namely, continuous mileage. The calculation of charges on a continuous mileage basis as they desired and as was recommended by the Rates Advisory Committee, does necessitate similarity of basis of scales. It seems to me that we have either to have two 10's universally or one 20 universally. There is no room for two different systems of charging.

Mr. Locket: I was not suggesting the two in operation at the same time.

Mr. Pike: That was Mr. Abady's suggestion.

Mr. Jepson: Yes; I think he said there was no necessity for uniformity in scales; that it would be quite consistent with the Act.

Mr. Abady: I think it was contemplated.

Mr. Jepson: Yes, that you should have different Schedules applicable to the different Groups, and those differences might be in the gradations of distances as well as in the amount per tonnage charged.

Mr. Abady: That is so. Whether it would be convenient is another thing; and I think the evidence of the traders generally was that they wanted uniformity if possible.

Mr. Jepson: That is the ideal position.

Mr. Abady: Yes.

Mr. Jepson: Uniformity all round.

Mr. Abady: Yes. Assuming it is inconvenient for the 10 and 10 railways at the present moment to change to 20, is that any reason why it would be equally inconvenient for the 20 to change into 10 and 10—that the giant should cut itself down to the pigmy?

Mr. Pike: I was not saying it was inconvenient to the railway companies.

Mr. Abady: The only question raised was whether there was unanimity in the opinion of the traders. However, I think that aspect has been canvassed quite sufficiently. The point I was on was this: I was making a comparison between the mileage rates of the different sections of the scales at the present time; pointing out that on the Caledonian, for instance, it descended from 2-25d. to 1d.; and I was suggesting that the result of the alteration must be to make part of that 2-25d. more than it is at the present time. With great respect, is not the evidence you have required evidence to show that this difference does not adequately take care of the differences in cost, or that there has been such a difference in the relative cost as between the first 20 miles or 10 miles and the longer part of the haul as would justify a greater difference in the charging power? I submit that there is not a jot or a tittle of evidence in that direction; and unless you are satisfied—and as the traders want the *status quo*, and as Mr. Thomas has used what he alleges to be the *status quo* as the reason why you should have 6 miles for the short

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[Continued.]

distance, and as it may be that you are going to fix 6 miles for the short distance which will in a sense meet any point of increase of cost as part of the 10 miles distance—I suggest those are all reasons why the present practice should continue, and if, as the railways indicate, they want uniformity, they can have it, but it should be in the direction that the traders want it.

One other point. If you take the mileage gradations now—take this same scale—it may be that when you try and make two 10's instead of one 20 you are going to make it exceedingly awkward to get the proper measure of difference between one part of the mileage and another. If you take 2-2 for the first 20 miles, that is .35d. above the next 30 miles, because the next 30 miles is 1-85d., which is .45 above the next 50 miles, because that is 1-4d.; and the next 50 miles is .4d. above the remainder of the distance, because that is 1d. What you have to do is to split 2-2d. up; that is, the charge per mile for the first 20 miles. If you split it into two 10 miles there will have to be a higher charge for the first 10 and a lower charge for the second 10. It looks as though the taper in the second 10 miles will come very near the taper in the following 30 miles, if you attempt to make a differential so as to produce 2-2d., dividing it into two. And it looks as though, in order to preserve the same differences, it might result in pushing up the whole of the scale, and that is a difficulty which the traders apprehend might follow.

Mr. Jepson: That is all on quantum?

Mr. Abady: Yes, it is a question of quantum. But still, we cannot altogether be so ideal. I fought for a principle very hard this morning, and got rather laughed at for it, I am afraid. We cannot always disregard the pounds, shillings and pence end of the thing.

Mr. Jepson: I noticed when you were talking this morning—and you did refer to it at length, the evidence leading up to the Report of the Rates Advisory Committee under which they spoke about the 6 miles; the Rates Advisory Committee for some reason made a distinct recommendation that this 20 should be split up into two 10 miles. You have not referred to any evidence, and have scarcely mentioned the Report of the Committee in connection with it. My impression is that there was some strong evidence brought before the Committee which led us to report in favour of the initial distance being 10 miles.

Mr. Abady: I do not recollect it. I have looked up the evidence. If I may be perfectly frank—and it is rather personal to a member of the Court—my impression is this: The reason why the 10 and 10 was pushed—and it was pushed, but I do not think there was much evidence—was that the conduct of the case in the earlier stages was in the hands of a gentleman who happened to be identified with the North Eastern Railway. That is my own idea. I am not being offensive to anyone. Sir Alexander Kaye Butterworth gave evidence, and so did Mr. Wedgwood; and Mr. Wedgwood conducted the case with great ability and impartiality, and with great kindness to the traders; but I think it is a little hard to expect a man to take himself out of the *neuf* in which he has lived all his life and visualise a different mileage from that to which he has been accustomed. I hope I was perfectly frank with the Court in drawing their attention to the fact that the finding of the Committee is directly against the contention I am raising now, and I have tried to explain that it is different.

My attention is drawn to the fact that there was a little evidence. It was given on the 1st December, 1920, by Mr. Wedgwood, at page 618; Questions 13,721 to 13,727, inclusive. Shall I read it, or will you refer to it?

President: It is not very long, is it?

Mr. Abady: No. (Chairman) Neither you nor any other witness has given us any figures to make us think that the railway companies are justified in these increases for short distances?—(A.) That is so.

We quite realise, before we can expect you to give us any further increase on short distance traffic, we must submit figures to you. We want those figures to be satisfactory and complete, and such figures at the present time are not available. I think you will appreciate, in order to get railway cost figures to cover such an item as short-distance traffic, there are a very large number of elements which have to be considered, and those elements will have to be apportioned possibly between different services. It is a matter to which the railways are giving a great deal of consideration now. We realise that we shall have to produce some figures to justify our proposals when we put up to the tribunal our new scales and tariffs. (Q.) How long will it take you to get those figures? What is the minimum time?—(A.) The first thing is to secure agreement among the railways. I cannot say how long that will take, but, if I may judge from the experience we have had in connection with some figures which have been taken out, the accounts, even when agreement is arrived at, will find it necessary to take a very considerable time. (Q.) How many months?—(A.) I should not like to pledge myself. (Q.) Two months?—(A.) Much more than that, I am afraid. (Q.) Three months? I will tell you why I am asking this. I think this ought to be settled before you submit your proposals?—(A.) Yes. (Q.) We have next year before us before we can very well hope that your particulars of rates will be in, and during that time we are going to try and settle classification?—(A.) Yes. (Q.) Why should not this particular point come immediately after classification?—(A.) I think I could say, on behalf of the railway companies, that at any rate we would consider it, but I see no objection at the moment to putting in or to settling the principle of the maximum distance before the scales actually come in. I think we could put figures in before we actually put forward our scales.

Mr. Jepson: That should be "minimum distance."

Mr. Abady: I have some doubt whether Mr. Wedgwood was referring to the short distance in the sense of minimum distance. Mr. Cash says he has looked at the books and he is satisfied that it is the opposite to what we are discussing now.

Mr. Jepson: My copy is altered from "maximum" to "minimum" showing that he was speaking of the minimum distance.

Mr. Abady: That should be "minimum distance," he is dealing with the tariffs. There is one later reference: "You are speaking of revenue," and he says, "I am speaking of cost." On that point we do ask you to give effect to what the traders ask, and I think that the railway companies recognise the soundness of the contention. If there is any doubt in your mind that splitting the scale into 10 and 10 might increase the rate which the railway companies would charge for short distance traffic, that is to say, throwing the burden on one instead of the other, surely in the interests of the traders and of the railway companies you ought to resolve it in favour of the contention I am putting forward, and I think the railway companies recognise that.

My last point in illustration of that is this: You remember Mr. Rowlands was giving evidence on Schedule D at page 10 yesterday; that is the scale for general parcels. He explained that an alteration had been made for any distance not exceeding 15 miles. I think he said that had been altered to meet road competition. You see, that was the scale, and I think it was "any distance not exceeding 30" to begin with, and they had split it up, which is quite the reverse effect to the kind of scale we are considering. This is a zone scale. I think that was the scale, and I think that is what Mr. Rowlands said. I made a note of it at the time, and I think I have got it accurate.

Now I have mentioned, I think, every point that I need. I hope I have made everything clear, and I ask you, whatever your decision may be with respect to the minimum mileage, to say that the case put forward by the traders, which, as I understand,

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[Continued.]

is practically the unanimous wish of the traders, shall be acceded to. Of course, this is not a coal matter. You will understand that all I want to say on behalf of the Mining Association is that they do not want to be prejudiced by anything you may do on the general merchandise scale.

Mr. Jepson: You say it is not a coal matter; you say that, I suppose, because at the foot of the railway companies' proposals they make the remark that later on they will submit proposals with regard to coal and coke, and you are, I suppose still expecting those?

Mr. Abady: Yes, we have not got them. My only instructions from the Mining Association were that they asked that the minds of the Committee should not be prejudiced with respect to the coal scale by anything they may do to-day. Of course, that may cut both ways. If you order a 20 miles scale, I might be instructed on behalf of the Mining Association to come and ask for a 10 miles scale for them; that I do not know. It may be that the two things have nothing to do with one another.

Mr. Locket: I am anxious to be perfectly certain that I understand what your proposal actually is. You propose that on the first line of the scale instead of "For the first 10 miles or any part of such distance" is should be "For the first 20 miles of any such distance"?

Mr. Abady: That is right.

Mr. Locket: And that the next line should be struck out?

Mr. Abady: Yes, that is right.

Mr. Locket: And that there should be a uniform

Mr. JOHN PIKE, recalled.

Cross-examined by Mr. CLEMENTS.

564. In this instance you are clearly proposing a departure from what exists at present—I am alluding to the Rates and Charges Orders?—No.

565. Forgive me, it is so, is it not?—Well, whatever you do, it is a departure unless you continue the two systems.

566. The present gradation is, first 20, next 30, and the next 50 remains?—In some cases.

567. Well, we have heard that that is a matter of 5,000 out of 23,000 miles, and restricted to three classes of traffic?—Yes.

568. So you are really making a very large departure?—Yes.

569. I think that must be so. It has been pointed out that this division of distance was recommended by the Rates Advisory Committee?—Yes.

570. Do you found anything on that? Are you praying that fact in aid at all?—Yes.

571. That makes me wonder why, when the Ministry of Transport introduced their Bill containing these particular gradations, you agreed—when I say "you" I mean the railway companies—with the traders in asking that they should be taken out of the Bill, and taken out they were, I think?—That is so, but as I was at the Ministry of Transport at that time it is rather a difficult question for me to answer. I am afraid I was responsible for putting them in.

572. At all events, I think it would be hopeless for them to attempt to found anything on that recommendation. Mr. Jepson has just indicated that the railway companies would have no object in splitting the first 20 into two tens unless they wanted to get a higher rate for the first division?—Certainly.

573. Is that right?—That is right.

574. The effect of that, I suppose, would be felt in the second 10 miles?—Yes, the second 10 miles would be lower.

575. But it would extend pretty well up to the 20 miles?—Probably.

576. And it would necessarily, I think, be reflected in the longer distance?—No, I think not.

577. Does it not really follow?—No. I think the longer distances would be lower.

578. At what distance will it come out?—We have not got to that stage, but I can answer that question in this way: the intention is that the first 10

scale for all the railways of the kingdom on those lines; not that there should be an alternative scale on one set of railways?

President: Do you want 20 to 30?

Mr. Abady: 20, the next 30, and the next 50; that is the proposal of the railway company. Apparently the railway companies have put this forward with the idea of applying it to every group.

Mr. Locket: But I want to make quite certain what your proposal is. Your proposal is merely to alter that as I have read just now?

Mr. Abady: Yes.

Mr. Locket: You are not proposing any alternative scale?

Mr. Abady: No. The only way that arose was when you were raising the question as to what is the position of the existing 10, and I said that it might be unreasonable to oppose an exceptional rate. I do not think it is a matter that I can help you upon by calling any evidence. I hope it will not be raised against me that I have not shown that it is going to be a loss for a man who is going to send staff 10 miles who will have to pay more than under the 20.

Mr. Jepson: I think that goes without saying. There would be no object in splitting the 20 up into two tens unless the first 10 was on a higher ratio.

Mr. Abady: I do not think I can help you with anything more. Of course, on the road competition I have helped you, and I am trying to help the railway companies from burning their fingers.

Mr. Clements: I was going to ask permission to ask Mr. Pike a few questions.

miles should pay a little more, and when you get on to a further distance, say 50 miles if you like, it should be rather less proportionately.

579. But that, of course, cannot be tested in the absence of the actual figures?—No. It is just a question of how you are going to distribute the amount that has to be divided, and naturally anything that lowers our proposals in regard to the first 10 or 20 miles means charging something higher on the long distance traffic, which is the traffic which is most susceptible to road competition.

580. *Mr. Abady:* Long distance?—Yes—I do not mean long distance.

581. *Mr. Clements:* "Longer" distance would be a better word.—When one talks about short distance and long distance in regard to motor competition it is quite a different thing from when you talk about short distance in regard to minimum charge.

582. Of course, I know you are very well acquainted with the statistics issued by the Ministry of Transport; that goes without saying, I think?—I know something about them.

583. Is it not a fact that a very large part of the raw materials carried passes over a less distance than 20 miles?—Yes.

584. Probably 50 per cent. of such traffic?—Well, as the average length of haul for other minerals is 45½ miles—those are figures for November, 1922—I should doubt whether it is so large as that.

585. I think I can produce some figures later on; at all events, as you say, it is a very large proportion of that kind of traffic. I think you would agree with me that the obtaining of raw materials as cheaply as possible is of vital necessity to the trade of this country—at all events, I will limit it to the trade of the Iron and Steel industry?—Yes, I should agree with that, but, of course, if in doing that you are going to deprive us of a longer distance traffic in the higher classes it means that the iron and steel people will have to pay more rate on their raw materials.

586. You are jumping further than I was going.—I beg your pardon.

587. However, you have said it, and there it is; I was not raising any point there.—I was only pointing out that there would be a reaction.

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Mr. JOHN PIKE.

[Continued.]

588. Of course, if you are going to increase your revenues on the short distance traffic, on the minimum distance traffic if you like, but I will call it the shorter distance traffic, it is obvious, I think, is it not, from what you have said that it must fall very heavily on the low class traffic which passes over the shorter distances?—Well, I do not know

that I should say very heavily; it all depends on the quantity.

589. Would you say heavily; I think it must be so?

590. *Mr. Jepson:* It falls more heavily than at present?—Yes, certainly.

(The Witness withdrew.)

Mr. Jepson: If that is so, Mr. Clements, it follows, does it not, if you are going to raise the same amount somebody in the longer distance, or in different classes, is going to get the benefit?

Mr. Clements: That, of course, is a matter that you have yet to ascertain. Something has yet to be said on the side of economies. It is quite obvious that when you make such an extraordinary small number of companies out of such a large number there must be great room for economies, and I should be disposed to look rather in that direction than to taking the burden off any trader's back and putting it on to some other.

Mr. Jepson: You know how the Act provides for those economies. The railway companies are not entitled to keep them; I think 80 per cent. have to be passed back to the traders in the way of reduction of rates.

Mr. Clements: I forget what the proportion is, but I am not forgetting that fact for a moment.

Mr. Jepson: So if those economies do result the traders may look forward to reductions. How much reduction will be carried out, whether it will be wholly or partially given to the short distance traffic or the first gradation of distance or not, one does not know.

Mr. Clements: True. We are all hoping to see that happy result, but I think there is a very great deal to be done before we can get anywhere near it, and a good deal of doubt must necessarily exist on such a wide difficult matter as this.

Mr. Jepson: Do you put it as high as Mr. Abady did? I think he said, so far as the Co-ordinating Committee are concerned and one or two other people he was speaking for, that there was a general consensus of opinion that they did not want this break for the first 20 miles; they wanted to have the first 20 miles continued. Do you say that with regard to all the people that you are interested for?

Mr. Clements: Yes, the Iron and Steel Federation agree with that; it is part of their proposal.

Mr. Jepson: Mr. Pike did say—I do not know whether he is going to produce any evidence—that it would be very much objected to by the Scottish people, and the North Eastern people, who at present have a break of 10 miles. One would like to hear something from some of those people if there is any real grievance so that we may be able to weigh up the actual position.

Mr. Pike: I was not calling any evidence. I only made that statement on what I have heard. I do meet traders from time to time, and I have heard them express opinions rather strongly against the two tens being swallowed up in one 20.

Mr. Jepson: Of course, one quite understands as the railway companies have put forward these proposals, the people who already have the two tens have nothing to object to, but if the proposal is now, instead of tens to alter it to 20—

Mr. Pike: I think they should be heard, and I would point out that in taking out coal it is not taking out the whole of the application of the existing two tens, etc., on the lines on which it now operates, because there is a very large quantity of traffic other than coal in Class A. There is the whole of Class B and Class C; that is all general merchandise.

Mr. Abady: Could I help you with respect to the possible objections from the 10—10 mile districts?

Mr. Jepson: If you can.

Mr. Abady: The position with respect to the Co-ordinating Committee, as I am informed by those behind me, is this: it was decided after the discussion

to make the objection which I now have the honour of submitting to you that it should be 20 miles as at present instead of 10 and 10. That objection was circulated to all the individual members who were interested and represented by the Co-ordinating Committee and all the traders who objected, and not a single case is within the knowledge of those who instruct me where the answer was: "No, we do not like your objection; we want 10 and 10 to continue."

Mr. Locket: Can you carry it a step further and tell us, first of all, who were represented on the Traders' Co-ordinating Committee at that time—what Federations, for instance, and whether it was brought to the notice of the individual members of those Federations, or whether it was dealt with by the Federations themselves?

Mr. Abady: I will try and get that answer. I should imagine it would be rather easier to tell you who was not represented on the Co-ordinating Committee rather than those who were. Do you want the actual percentage?

Mr. Locket: No. I know fairly well what the Traders' Co-ordinating Committee consisted of at that time; I do not know whether there have been any additions since. What I would like to know is whether the proposal which was agreed to by the Traders' Co-ordinating Committee was sent to the constituent members of the various Federations that were represented on that Co-ordinating Committee?

General Long: I can answer that, Sir, as Chairman of the Co-ordinating Committee. What happened was, when the Blue Book first came out, that it was circulated, and we took no action until we first of all received all the objections. Then we co-ordinated the objections, and the consensus of opinion was in favour of the 20 miles. The Co-ordinating Committee, having come to the conclusion on the various points as to what the biggest consensus of opinion on any one point was, they were all then circulated back throughout the whole of the organisations and asked for their agreement or dissent, and those who dissented were asked to meet us in order that we could go into the point. In the end the result that was arrived at was that the traders as a body resolved unanimously to ask for the 20 miles.

Mr. Locket: Thank you, General Long; that is exactly the information I wanted to have.

Mr. Clements: I have only a very short word to say on this, and then I propose, with your permission, to call a witness. Looking at the Advisory Committee's Report I can find no reason given for bringing the large mileage into accord with the small other than the desire of obtaining uniformity. I think I am right in saying that uniformity was talked about as a good deal and aimed at when the revision of 1891 was made, and it was found then—we may be perhaps more capable to-day—impossible of realisation, and it does seem, if you are to have uniformity, an extremely odd thing to bring, as my friend, Mr. Abady, said, the large down to fit the small instead of reversing the process. I cannot help thinking that if uniformity must be had at all costs it should not be had, at all events, at the cost of the traders. I should doubt whether it would be worth it; it certainly would not be worth it to them. I do not think beyond that that I need add anything.

In view of the time of day we have reached I do not think I will take up your time by tendering any evidence; I do not think it is necessary unless you wish to have it.

President: It is entirely for you, Mr. Clements.

Mr. Clements: I think, having regard to the ground which has been covered by my friend Mr.

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[Continued.]

Abady, and my concurrence with him, and in regard also to the answers that Mr. Pike has given to the questions put to him, that is really all that can be said, and my submission upon it is that there is no ground for making the proposed change and I should ask you to adopt the traders' counter-proposal, which is to maintain the present statutory gradations.

Mr. Bailey: I have only three or four words to say on behalf of Messrs. Pilkington's in support of my learned friends Mr. Abady and Mr. Clements, because my trade is a trade which goes over short distances only. The great bulk of my traffic is between 1 and 20 miles, and a great part is between 1 and 10 miles. It will largely get rid of my objection to the mileage gradation question, so far as regards the St. Helens Railway, which will have to come up on Section 34, if you accede to the suggestions, and I do hope that you will accede to the suggestions made by the general body of traders that the gradations shall remain as before, namely, 1 to 20 miles. I do not see how in the case of the Scotch people and the North-Eastern people there can be any prejudice whatever, because it will be quite easy to adapt those cases to the circumstances which obtain in other parts of the country.

Mr. Brodley: I only desire on behalf of the Manchester Chamber of Commerce to press this mileage gradation of 20 miles very strongly on account of the short distance of the traffics carried in the Lancashire and South Yorkshire areas. In the case of Liverpool on the western side it is 30 miles, Preston on the north 40 miles, and Leeds on the eastern side 40 miles; so you will see it makes three gradations against two to-day, which, of course, complicates matters further, and will upset the whole question of our class rates. As regards the traffic being carried at exceptional rates, of course a great deal of the bulky traffic like raw cotton is so, but there is the traffic in machinery, drapery, and other commodities, which are all carried at class rates. One other point I would make is that quite recently the railway companies have been very keen indeed in trying to get back the Liverpool and Manchester traffic to rail, and offering certain things to try and get it back, and this proposal which would make a high mileage charge for the first 10 might just defeat that object.

Mr. Craven: I appear on behalf of the Agricultural Engineers' Association. At present the heavy tonnage of machinery is carried under the mileage scale, which is a graded scale from 1 to 500 miles. When the evidence was brought before the Rates Advisory Committee, the railway companies submitted a draft showing that the classes 12, 14 and 16 represented the mileage scale throughout; there would be very little difference one way or the other. We now wish the railway companies to make a statement on the question of the grading ceasing at 100 miles, and we want to know in what position we are likely to be if the grading ceases at 100 miles as against our present grading running to 500 miles. At present there is a reduction of 38·40 in the ton mile rates at 500 miles over the 100 miles.

Mr. Jepson: Do you say you have got a graded scale now that takes you up to 500 miles?

Mr. Craven: Yes.

Mr. Jepson: And under the proposal all the articles made by the Agricultural Engineers are in the classes now?

Mr. Craven: Yes.

Mr. Jepson: They have been taken away from that special mileage scale and you fall under the general gradations of distances as proposed by the railway companies?

Mr. Craven: Yes.

Mr. Jepson: And that provides that after 100 miles there is a certain figure per ton mile for the remainder of the distance?

Mr. Craven: Yes.

Mr. Jepson: And you are fearful lest you are going

to lose the benefit of a further tailing off which you had under the 500-miles scale?

Mr. Craven: Quite so, and I may add that the majority of our average distance is well over 200 miles for heavy machinery especially. It is machinery carried all over the country from the north of Scotland to the south of England, but mostly from the Midlands and the East Coast. We are rather inclined to think, unless Mr. Pike can assure us that it is not so, that we shall be very badly hit on the main portion of our traffic.

Mr. Jepson: Of course, a good deal of your statement refers only to the question of quantum?

Mr. Craven: It does.

Mr. Jepson: I think you are quite right to raise the question and Mr. Pike might be able to say something about it.

Mr. Craven: I should like to put the scales in that we have got out.

Mr. Jepson: You are not putting any proposal before the tribunal?

Mr. Craven: No. I only wish to cover myself when the question of gradation comes up; I just want to make this point now. (Document handed.)

Mr. Jepson: Can you answer this gentleman, or say anything to satisfy him in a few words, Mr. Pike?

Mr. Pike: The agricultural engine scale does not appear to go down in mileage gradations right up to 500 miles.

President: Have you had a copy of what Mr. Craven has put in?

Mr. Abady: I have a copy of the classification with the scale. Those are probably not the figures to-day, but they are the proportions; that is for the first increase, I think. (Document handed to the President.)

Mr. Jepson: Are these figures that you have put in your statement the pre-war figures?

Mr. Craven: Yes, they are the pre-war base rates.

Mr. Jepson: Mr. Pike, this 500-miles scale does seem to vary with every mile up to 500 miles, according to the classification.

Mr. Pike: Yes. I was just looking at the figures for 100, 200, 300, 400 and 500 miles, and the difference really is represented between 100 and 200, 17s.; between 200 and 300, 16s.; between 300 and 400, 14s.; between 400 and 500, 15s. It does not seem to be any very mathematical concern, and the differences do not vary so very much. It does not seem to me that they are going to be very much hurt.

Mr. Jepson: At present it is 14s. to 15s. per 100 miles beyond the 200, or something like that.

Mr. Pike: Yes, that is so; it is about 15s. It would start at 100 miles.

Mr. Jepson: If for the remainder of the distance you have got in a certain figure—assuming we are comparing like with like—something like 14s. or 15s. for every 100 miles beyond the first 100, it is not going to hurt him?

Mr. Pike: It is not going to make a very great difference. Of course, we are hoping if we are allowed to charge a little more for the shorter distances to give these longer distances an advantage.

Mr. Jepson: Do you hear what Mr. Pike said?

Mr. Craven: Yes, I did.

Mr. Jepson: I think you did not hear his last remark, because I think you were talking to somebody else. Mr. Pike said that if they had authority to charge rather higher rates for the shorter distances, it would mean that that would be reflected in the lower rates for the longer distances, so that you may be better off really by conforming to this scale for the remainder of the distance above 100 miles.

Mr. Craven: I am quite willing to accept Mr. Pike's assurance that we shall not be hit.

Mr. Jepson: Well, it does not look as though you will, having regard to this scale. Of course, you can raise any question when quantum comes up.

(Adjourned to to-morrow morning at 11 o'clock.)

